FRANCHISE DISCLOSURE DOCUMENT

EverLine Franchising US, Inc.
A Texas Corporation
9960 Bammel North Houston Rd
Houston, TX 77086
Telephone: 1-833-837-5463
gofranchise@everlinecoatings.com
www.everlinecoatings.com

We offer a franchise for the right to independently own and operate a business that offers and provides commercial, industrial and residential, public and private, exterior and interior line pavement marking, painting of parking lots and park-ades, offices and industrial areas, and related parking lot and pavement maintenance services.

The total investment necessary to begin operation of an EverLine Coatings and Services franchise is $161,287 to $317,878. This includes $77,315 to $97,360 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an EverLine Coatings and Services franchise with two to ten territories, is $201,287 to $602,878. This includes $117,315 to $382,360 that must be paid to the franchisor or affiliate. There is no minimum number of EverLine Coatings and Services units that you are required to develop under a Multi-territory Addendum.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Attn: John Evans, EverLine Franchising US, Inc., 9960 Bammel North Houston Rd., Houston, TX 77086 or at 1-833-837-5463.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *"A Consumer's Guide to Buying a Franchise,"* which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 29, 2024; as amended September 30, 2024

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only EVERLINE business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an EverLine franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends that franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in Texas. Out-of-state mediation and/or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Texas than in your own states.

2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will pace both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

4. **Mandatory Minimum Payments**. You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

5. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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ADDENDUM REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(A) A PROHIBITION OF THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE EACH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION OF THE FRANCHISEE'S INVENTORY, SUPPLIES, MATERIALS, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, MATERIALS, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF

FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATION OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN. FRANCHISE SECTION, 670 LAW BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, 517-373-7117.

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EXHIBITS

EXHIBIT A	List of State Administrators; List of Agents for Service of Process
EXHIBIT B	Franchise Agreement
EXHIBIT C	Multi-Territory Addendum
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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language of this Disclosure Document, "EVERLINE," "Franchisor," "we," "us," or "our" refers to us, EverLine Franchising US, Inc., as the franchisor.

"Franchisee," "you," or "your" refers to the franchisee who enters into a franchise agreement and, if applicable, multi-territory addendum with us.

The franchisee may be a person, corporation, partnership, or limited liability company. If the franchisee is a corporation, partnership, limited liability company, or other entity, "you" and "your" includes the principals of the corporation, partnership, limited liability company, or other entity.

As an EverLine Coatings and Services franchisee, you will own and operate a business (a "Franchised Business") that offers and provides commercial, industrial and residential, public and private, exterior and interior line pavement marking, painting of parking lots and park-ades, offices and industrial areas, and related parking lot and pavement maintenance services (the "Approved Services") for clients (each, a "Client") at their respective properties (each, a "Client Property"). You will ~~operated~~operate the Franchised Business using a business format and system ("System") which includes, but is not limited to, unique methods and procedures, specially designed products and services, methods of operation, management programs, standards, specifications under our then-current proprietary marks (the "Proprietary Marks").

Franchisor

We are a Texas corporation formed September 16, 2021, with: (i) a business address at 9960 Bammel North Houston Rd., Houston, TX 77086; and (ii) a telephone number at 1-833-837-5463. We do business under our corporate name and our then-current Proprietary Marks, the latter of which includes our current primary mark EVERLINE COATINGS AND SERVICES™. We have been offering franchises since December 2021.

We do not currently own or operate any Franchised Businesses directly, but we reserve the right to do so. We have never offered franchises in any other line of business.

Except as provided in this Item and this Franchise Disclosure Document below, we do not and have not engaged in any other business activities or any other lines of business. Our agents for service of process are listed in Exhibit A.

Predecessor(s), Parent(s) and Affiliates

~~Our parent, EverLine Holding Corp., is a corporation organized under the laws of the province of Alberta, Canada on February 22, 2021, with a principal business address at 6910 Farrell Road SE, Calgary, AB T2H 0T1 (the "Parent"). Our Parent has not offered franchises or licenses in any line of business and, as of the Issuance Date, does not serve as an approved or designated supplier for any items that System franchisees must or may purchase in connection with their respective Franchised Businesses.~~

~~Our affiliate, EverLine Coatings and Services Ltd., is a corporation organized under the laws of Alberta, Canada on December 31, 2016, with a principal business address at 6910 Farrell Road SE, Calgary, AB T2H 0T1. EverLine Coatings and Services Ltd. operates an EverLine Coatings and Services business in Calgary, Alberta, Canada and is neither an approved or designated supplier for any items that System franchisees must or may purchase in connection with their respective Franchised Businesses.~~We are a direct

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subsidiary of, and controlled by, EverLine Holdings Aggregator, LLC ("Parent"). On September 20, 2024, EverLine Holdings Aggregator, LLC, a Delaware limited liability company, acquired control of Franchisor. Upon the closing of the acquisition, we became indirectly controlled by investment funds affiliated with Red Iron Group, a private equity firm based in Menlo Park, California. The name and principal business address of each of our direct or indirect parents that exercise control over the policies and direction of the System are as follows:

Name of Company	**Principal Business Address**	**Ownership or Control of Company**
RIG Franchise Holdings, LLC	2440 Sand Hill Rd, Suite 300 Menlo Park, CA 94025	Controlled by investment funds affiliated with Red Iron Group
EverLine Holdings, LLC	2440 Sand Hill Rd, Suite 300 Menlo Park, CA 94025	Wholly owned by RIG Franchise Holdings, LLC
EverLine Acquirer Company, Inc.	2440 Sand Hill Rd, Suite 300 Menlo Park, CA 94025	Wholly owned by EverLine Holdings, LLC
EverLine Holdings Aggregator, LLC	2440 Sand Hill Rd, Suite 300 Menlo Park, CA 94025	Wholly owned by EverLine Acquirer Company, Inc.

Our affiliate, EverLine Franchising Ltd., is a corporation organized under the laws of Alberta, Canada on September 23, 2016, with a principal business address at 6910 Farrell Road SE, Calgary, AB T2H 0T1 ("TM Owner"). TM Owner owns our Proprietary Marks that we have a license to use, and sublicense our System franchisees the right to use, as disclosed more fully in Item 13. TM Owner offers franchises for the right to own and operate Franchised Businesses in Canada. As of December 31, 2023, there were approximately 22 Franchised Businesses operating in Canada (each, an "Existing CN Business"). The Existing CN Businesses are operated in a substantially similar manner to the franchise being offered in this Franchise Disclosure Document utilizing the Proprietary Marks and System.

~~On April 10, 2024, TM Owner acquired a majority interest in TBL Durables Inc., an approved supplier of optional equipment that our franchisees may purchase in connection with their Franchised Businesses. TBL Durables Inc.~~Our affiliate, EverLine Asset Management US, Inc., is a Texas corporation organized on July 21, 2023 with a principal business address of 9960 Bammel North Houston Rd., Houston, TX 77086. EverLine Asset Management US, Inc. actively searches for National Accounts, enters into National Accounts contracts for providing the Approved Services across broad geographic areas, and subcontracts such work to our franchisees.

Our affiliate, TBL Durables Inc. ("TBL Durables CA"), is a corporation organized under the laws of Ontario, Canada on January 19, 2019 with a principal business address at 17 Advance Road, Toronto, ON M8Z 2S6. TBL Durables CA was an approved supplier of optional equipment that our franchisees could purchase in connection with their Franchised Businesses through May 31, 2024.

Our affiliate, TBL Durables US Inc. ("TBL Durables US"), is a Texas corporation organized on March 19, 2024 with a principal business address of 9960 Bammel North Houston Rd., Houston, TX 77086. TBL Durables US is an approved supplier of optional equipment that our franchisees may purchase in connection with their Franchised Businesses as of June 1, 2024.

Our affiliate through common ownership under Red Iron Group, TACTIC Franchising, LLC, is a Delaware limited liability company which converted from a Texas limited liability company on March 8, 2024, with a principal business address at 20551 N. Pima Rd., Suite 100, Scottsdale, Arizona 85255 ("TACTIC").

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TACTIC's predecessors developed a system relating to the development, management and/or operation of 100% Chiropractic clinics and it now offers franchises for the operation of 100% Chiropractic clinics. 100% Chiropractic clinic franchises were first offered in May 2015. As of December 31, 2023, there were 111 franchised 100% Chiropractic clinics and six 100% Chiropractic clinics owned and operated by TACTIC and its affiliates, all of which were operated in the United States. TACTIC has not offered franchises in any other line of business.

Except as provided above, none of the affiliates listed in this Item above have (a) offered or sold franchises or licenses in any line of business, (b) operated a Franchised Business that is substantially similar to the Franchised Business, or (c) been involved in any other material business activities that require disclosure in this Item.

We do not have any predecessor or other affiliates that we are required to disclose in this Item.

General Description of the Market and Competition

You will target your services to commercial, industrial and residential owners of homes, businesses, and parking lots. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar products or services to customers. You may also encounter competition from other franchises. This market is developed and competitive. Sales are seasonal depending on where you are located.

Franchised Business Generally

We grant franchises for the right to independently own and operate Franchised Business that: (i) market and advertise the Approved Services to prospective Clients that own or manage high-end residential properties within the territory we award you under the Franchise Agreement as described more fully below in this Disclosure Document (your "Designated Territory"); (ii) enter into a form of services agreement that we approve with such Clients (each, a "Services Contract") for the provision of the Approved Services in connection with the Client Property within the Designated Territory; (iii) to the extent franchisee owner determines appropriate, engage and work with third-party subcontractors that have the appropriate licensing, permits and credentials to provide the Approved Services at issue at the Client Property and managing such Client project(s) (each, a "Client Project") to completion; and (iv) offer and provide any other services to prospective and existing Client(s) that we authorize.

As of the Issuance Date, there are various Approved Services that can be offered and provided as part of a Client Project, including: (i) commercial, residential, public and private, exterior and interior line pavement marking; (ii) painting of park-ades, offices and industrial areas; (iii) parking lot and pavement maintenance services; (iv) epoxy flooring services; and (v) related products and services. We may condition your right to offer certain Approved Services on your ability to demonstrate you have obtained all required consents/permitting to provide the same at a given Client Property.

Our standard franchise offering assumes that you will provide most of the Franchisee Services at Client Properties and may, if and as required or your determine appropriate, engage third-party contractors to provide certain Approved Services, utilizing the System methods, practices, criteria and Required Software that we designate for use in connection with your Franchised Business.

Mobile Unit (Truck and Trailer); Sales Vehicle

You must also acquire and utilize vehicles that (a) meet our then-current System standards and specifications, and (b) are branded with the vehicle wrap and/or decals and/or other signage we designate

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that incorporates our current Proprietary Marks, for use in connection with your Franchised Business operations.

As of the Issuance Date, the primary equipment you will be required to use and maintain in connection with your Franchised Business include: (i) a white, less than 10 years old, 3/4 ton vehicle with appropriate towing capacities such as a Ford® F-250, Chevrolet® Silverado 2500, Dodge® Ram 2500 or an equivalent type truck, crew cab, along with an enclosed, flat deck trailer with a ramp that is built and branded to our then-current System standards and specifications (collectively, the "Mobile Unit"); and (ii) a sales vehicle ("Sales Vehicle") that you will use to visit Client Properties and meet with prospective Clients. The Sales Vehicle may be an already owned personal vehicle with written permission by the us. You must have access to adequate and safe parking for these vehicles and equipment.

Our standard franchise offering assumes that you will commence operations of your Franchised Business, whether in one (1) or multiple Designated Territories, utilizing one (1) Mobile Unit and one (1) Sales Vehicle that comply with our System and that are acquired specifically for use in connection with the Franchised Business. Your Mobile Unit must be equipped and outfitted with various other equipment and supplies related to the provision of the Approved Services, as set forth more fully in Item 7 of this Disclosure Document. Both the Mobile Unit and the Sales Vehicle must be wrapped or otherwise branded with our then-current trade dress and other Proprietary Marks

We may require that you purchase any item or service you are required to use in connection with your Franchised Business (each, a "Required Item") from a supplier/provider that we designate or approve (each, an "Approved Supplier"), which may be us or our affiliate.

Multi-Territory Operations via Multi-Territory Addendum

At your request, we may determine to offer you the right to operate your Franchised Business in two (2) or more contiguous Designated Territories subject to the terms and conditions of our then-current multi-territory addendum to your Franchise Agreement attached to this Disclosure Document as Exhibit C (the "Multi-Territory Addendum").

Among other things, the Multi-Territory Addendum to your Franchise Agreement will set forth: (i) the demarcation of each Designated Territory wherein you are being awarded the right to operate the Franchised Business; (ii) the minimum royalty fees and other adjusted business terms associated with multi-territory operations, which will vary based on (a) the number of Designated Territories you commit to servicing via that Franchised Business, and (b) how long you have been operating your Franchised Business; (iii) the fee you must pay to us as consideration for the franchise rights being awarded under the Addendum (the "Additional Territory Fee"); and (iv) an acknowledgement that all other terms of the Franchise Agreement shall apply to each Designated Territory awarded under this Addendum.

If you enter into a Multi-Territory Addendum and Franchise Agreement at the same time, when you launch your Franchised Business you will immediately have the right to promote your Business, recruit prospective Client(s), provide the Approved Services and Approved Products and otherwise operate your Franchised Business in all of the Designated Territories you have been awarded. With that said, you may also determine to initially focus your operations on a particular Designated Territory (or Territories) rather than all of the Designated Territories you have been awarded – provided you comply with the minimum royalty fees and other productivity requirements set forth in the Addendum that are applicable to the number of Designated Territories you have been awarded. If you operate the Franchised Business across multiple Designated Territories, you will not enter into a separate Franchise Agreement for each individual Designated Territory.

Regulations Specific to the Industry

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Most states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Franchised Business, including those that: (a) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises; (b) regulate matters affecting the health, safety and welfare of your customers; (c) set standards pertaining to employee health and safety; (d) regulate matters affecting requirements for accommodations for disabled persons; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) set standards and regulations regarding the licenses and permits necessary to provide installation services as a contractor or otherwise in a manner consistent with the applicable laws of the state(s) where your Designated Territory(ies) are located.

We recommend that you engage a local attorney to review all applicable state and municipal laws and regulations where your Franchised Business will be located.

ITEM 2

BUSINESS EXPERIENCE

John Evans: Chief Executive Officer and President
Mr. Evans has been our Chief Executive Officer and President since our inception in September 2021 and is located in Calgary, Alberta. Mr. Evans is also the President of EverLine Franchising Ltd. in Calgary, Alberta and has held this position since September 2016. He has also served as a Director of EverLine Holding Corp. and EverLine Coatings and Services Ltd, both in Calgary, Alberta, since December 2016 and September 2016, respectively.

Cameron Aiton: Chief Operating Officer
Mr. Aiton has served as our Chief Operating Officer since our inception in September 2021 and is located in Calgary, Alberta. He previously served as our Vice President of Market Development from our inception until April 2023. Mr. Aiton also holds the following positions: (i) Director of Sales & Marketing for EverLine Coatings and Services Ltd in Calgary, Alberta since January 2016; (ii) President of EverLine Asset Management in Calgary, Alberta since July 2020; and (iii) Vice President of Market Development of EverLine Franchising Ltd. in Calgary, Alberta since January 2016.

Nigel Baxter: Vice President of Operation and Support
Mr. Baxter has served as our Vice President of Operation and Support since our inception in September 2021 and is located in Saskatoon, Saskatchewan. Mr. Baxter is also the Owner of EverLine Coatings and Services Saskatoon in Saskatoon, Saskatchewan and has held this position since March 2017.

Gretchen Doyle: Vice President of Corporate Operations
Ms. Doyle has served as our Vice President of Corporate Operations in Houston, TX since September 2022. From May 2021 to September 2022, Ms. Doyle served as a self-employed Franchise Consultant in Bargersville, IN. Prior to that, she was the Director of Operations for Smash My Trash in Carmel, IN from February 2019 to April 2021.

Brian Westly Hall: Vice President of Finance
Mr. Hall has served as our Vice President of Finance since September 2023 and is located in Calgary, Alberta. Previously, Mr. Hall served as a Manager at Parkland Corporation in Calgary, Alberta from September 2022 to September 2023. From September 2021 to September 2022, he served as the Finance Manager of Enmax Corporation in Calgary, Alberta. Prior to that, he served as the Controller of Fortress Engineering Ltd. in Calgary, Alberta from September 2012 to September 2021.

Bridgette Morgan: Vice President of Market Development

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Ms. Morgan has served as our Vice President of Market Development in Houston, TX since April 2023. Prior to this, she was not employed from January 2023 to March 2023. From April 2000 to December 2022, she was the Director of Sales & Marketing for Lafayette Venetian Blind, Inc. in West Lafayette, IN.

ITEM 3

LITIGATION

No litigation information is required to be disclosed by this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee of $59,500 ("Initial Franchise Fee") for the right to operate your Franchised Business in a one (1) typical Designated Territory. The Initial Franchise Fee is paid in consideration of the costs incurred by us in connection with the execution of your Franchise Agreement. As of the Issuance Date, please note that our standard franchise offering assumes that a typical Designated Territory initially awarded under a franchise agreement with us will have an approximate population of no more than 350,000.

The Initial Franchise Fee is paid in one lump sum upon execution of the Franchise Agreement and is non-refundable upon payment.

Other Amounts Due Under Franchise Agreement Prior to Opening

You must also pay or remit the following amounts to us prior to opening:

Description of Amount	Amount Payable Prior to Opening
Initial Startup Tools for line painting, crack-filling, sealcoating, and asphalt repair	$8,000
Trailer Buildout (Includes 7x14 Enclosed trailer, Branded Wrap, Custom Interior Setup)	$0 (if leasing) or $16,000 (If not leasing)
Technology Fees (paid to Franchisor that covers payments to third-party licensors for software licenses via a master license agreement). Please see Item 6 for additional information on these Technology Fees.	Between $645 to $1,290 ($215/month per user for three months; first user required, second user optional)
Brand Collateral Package	$450 to $650
System Uniforms	$600 to $800
Marketing Setup Fee	$1,200

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Initial Training Fee	$3,970
Technology Set-up Fee	$1,950

Each of the amounts above is due and payable to us upon execution of your Franchise Agreement or, at our discretion, otherwise prior to opening as invoiced in writing by us. These amounts are considered fully earned and non-refundable upon execution of your Franchise Agreement with us.

Additional Territory Fee(s) Due in Connection with Multi-Territory Addendum
If you seek to acquire and are awarded additional franchise rights to operate your Franchised Business in multiple Designated Territories, then you will be required to pay us an amount in addition to the Initial Franchise Fee under the form of Multi-Territory Addendum you enter into with us (the "Additional Territory Fee"). The Additional Territory Fee is deemed fully earned and non-refundable upon execution of your Multi-Territory Addendum and will be calculated as set forth below. The Chart below is based on a Designated Territory having a population of approximately 350,000 people.

Additional Designated Territory being Awarded	**Territory Fee**	**Total Fee Due Under Multi-Territory Addendum**
2nd	$40,000	$99,500
3rd	$35,000	$134,500
4th	$30,000	$164,500
5th	$30,000	$194,500
6th	$30,000	$224,500
7th	$30,000	$254,500
8th	$30,000	$284,500
9th	$30,000	$314,500
10th (and each additional)	$30,000	$344,500

In certain circumstances, a prospect may request and we may determine to award an additional Designated Territory that is larger than 350,000 individuals and, in such cases, we expect and intend to charge an Additional Territory Fee amounting to approximately $0.14/person comprising the population of the Additional Territory awarded.

Other Relevant Disclosures

We currently offer a 10% discount to qualifying military veterans. The military discount is available to veterans who have received a discharge (other than dishonorable) as well as any active-duty personnel. If the franchisee is a corporation, limited liability company, or other legal entity, the veteran participant must maintain at least 51% ownership interest in the entity to qualify for this discount. To apply for the discount, you must provide us a copy of form DD-214, reflecting your military status, before the Franchise Agreement is signed.

Except as provided above in this Item, we expect and intend to impose the fees above uniformly on our new System franchisees.

ITEM 6

OTHER FEES

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Name of Fee	Amount	Due Date	Remarks
Royalty Fee	An amount equal to six percent (6%) of the Gross Sales generated by the Franchised Business in each Designated Territory subject to the Minimum Royalty that is due on an annual basis. For work done in part or full by an approved subcontractor, and such sub-contractor is necessary (as deemed by us), the royalty rate for the part of the job done by an approved sub-contractor shall be 2.5%	Payable to us on the last day of each calendar month for the current calendar month.	Your Royalty Fee will begin once your Franchised Business opens. We may require you to pay your Royalty Fee and other reoccurring amounts via electronic funds transfer ("EFT"). Your Minimum Royalty will be based on the number of Designated Territories you are awarded the right to operate within, the Effective Date of your Franchise Agreement, and the applicable Calendar Year. See Note 1.1 for a chart detailing the Minimum Royalty obligations. Please see Note 3 for the definition of "Gross Sales".
Fund Contribution	You are required to contribute to our brand development fund (the "Fund") in an amount equal to two percent (2%) of your monthly Gross Sales. We reserve the right to increase this amount to up to three percent (3%) of Gross Sales.	Payable monthly at the same time and in the same manner as the Royalty Fee.	We have established and administer a brand development Fund to promote and otherwise develop the System, Marks and brand generally, as we determine appropriate in our discretion. We may (a) dissolve the Fund, and/or (b) set or modify your required Fund Contribution, upon 30 days' prior written notice to you. Please see Item 11 for additional information. Your Fund Contribution will commence as soon as your Franchised Business generates Gross Sales. Please see Notes 1 and 4 below.
Referral Fees	The then-current referral fee as set forth in the Manual.	As referrals are received.	In the event that we establish a referral program ("Referral Program"), you will pay us or our designee or the EverLine Coatings and Services franchisee referring a Client to you, the then-current referral fee as set forth in the Manual (the "Referral Fee").
Local Advertising Requirement (or "LAR")	A minimum amount equal to one percent (1%) of the Gross Sales generated by the Franchised Business over the preceding reporting period	As agreed.	Your Local Advertising Requirement is the minimum amount you must expend on the promotion, marketing and advertising of your Franchised Business within your Designated Territory. Please be advised that we may designate an affiliate, ourselves or other third party as an Approved Supplier for your Local Advertising Requirement. Upon written notice, we may require you to provide us with copies of all

Name of Fee	Amount	Due Date	Remarks
			invoices and other documentation necessary to demonstrate you are expending the Local Advertising Requirement each month in accordance with our then-current System directives. Please See Note 7 following this Chart below regarding your Local Advertising Requirement and our current System recommendations (non-mandatory).
Regional Advertising Cooperative	Currently none, but no more than the Local Advertising Requirement if established.	As agreed.	We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more Businesses (whether a Franchised Business or Affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Business owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Businesses within the geographical boundaries of the Cooperative. If you are designated as a member of a Cooperative, you may be required to contribute to the Cooperative in an amount not to exceed the then-current Local Advertising Requirement. All amounts paid to a Cooperative will be credited toward your Local Advertising Requirement. We have not established any Cooperatives as of the Issuance Date of this Disclosure Document.
Technology Fee	Then-current fees we collect for the then-current software we require you to (a) license for use in connection with your Franchised Business, and (b) pay to us so that we can pay the third-party providers/licensors of such software directly pursuant to any master license agreement or other arrangement Currently, the fee we collect for the primary Required Software that you must have installed and ready for use prior to launching your	Payable monthly at the same time and in the same manner as the Royalty Fee.	We expect and assume that your Franchised Business will need a single user license, which will be for you or your operating principal (if you are an entity), for each of the Required Software programs over your initial operations period. Subject to change upon 30 days' prior written notice from us, which may be based on any modification or change in the fees charges by the third-party providers/licensors of our then-current Required Software. In the experience of us and our Affiliate Franchisor and its franchisee network, new System franchisee will typically require a single user license in connection with its pre-opening and initial period of operations.

Name of Fee	Amount	Due Date	Remarks
	Franchised Business is $215/month per user license.		
Annual Conference Registration Fee	Our then-current registration fee that we charge in connection with any annual conference we determine to conduct Currently, we expect our conference registration fee to be $1,500 to $2,000	As incurred.	We may schedule and hold an annual conference, as we deem advisable in our sole discretion, and require that you attend such conference. Currently, we expect to hold the Annual Conference in the first quarter of each year. If you do not attend the Annual Conference, we reserve the right to charge you a non-attendance fee amounting to the then-current registration fee. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to charge you our then-current registration fee.
Regional Meetings	Not currently charged, but we reserve the right to charge our then-current attendance fees to attend meetings between you and other franchisees in the same geographic area ("Regional Meetings").	Upon demand	If we establish Regional Meetings, you attendance will be mandatory, and you must pay the applicable attendance fees if you fail to attend the Regional Meetings. We reserve the right to charge our then-current attendance fee in connection with the Convention and Regional Meetings. You will also be responsible for your costs/expenses associated with attending these meetings, including the employment costs of any employees you bring with you, lodging and travel.
Third-Party Training	The then-current Training Fees for Third-Party Training.	Upon demand	We may require you and your management personnel to attend a training program that is conducted by one or more of our Approved Suppliers and designed to provide further instruction and training regarding the operation of the Franchised Business and provision of certain Approved Services (the "Third-Party Training"). If we require such Third-Party Training, you must pay the then-current Additional Training Fee, plus lodging and travel, for those that attend the Third-Party Training, and you will be responsible for the costs and expenses associated with you and any other required trainees to attend such training. We have the right to make this kind of Third-Party Training part of any Additional Training or Remedial Training that we may require.
Training Fee(s)	Our then-current training fee for the kind of training being provided (the "Training Fee").	Prior to trainers being sent and/or providing training.	We reserve the right to charge our then-current Training Fee in connection with (a) re-training or replacement training with regards to the portions of the initial training program that are designed for the franchise owner and/or Designated

Name of Fee	Amount	Due Date	Remarks
	Currently, the Training Fees are as follows: $3,970/trainee for any new or replacement Designated Manager or owner to attend our Initial Training Program $500/day per trainer for all other training.		Manager, (b) any training we require you to complete to cure a default under your Franchise Agreement with us ("Remedial Training"), (c) additional training you request we provide (other than the kind of day-to-day assistance described below), or (d) training we provide on-site at your Franchised Business. We will not charge any training fee in connection with minor, day-to-day assistance that we provide remotely over the phone or via email, subject to our availability. In addition to the then-current Training Fee for the training at issue, you will always be responsible for the costs and expenses that are incurred in connection with you and your personnel attending any training.
Transfer Fee	$10,000 per Designated Territory	Payable prior to obtaining our consent to your proposed transfer.	There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment. This fee is subject to state law.
Resale Fee	The greater of $10,000 or 10% of the sale price of the Franchised Business	Payable prior to obtaining our consent to your proposed transfer.	In addition to the Transfer Fee, if we introduce a buyer to you and you sell, assign, or otherwise transfer the Franchised Business or your rights under the Franchise Agreement to the buyer we introduced to you, then you must pay us the greater of $10,000 or ten percent (10%) of the sale price of the Franchised Business (the "Resale Fee"). You must pay us the Resale Fee on the date that you close on the transfer, and we may condition our consent to any applicable transfer on our receipt of the Resale Fee. This fee is subject to state law.
Renewal Fee	$10,000 per Designated Territory	Payable prior to us approving your renewal request	There are other conditions that you must meet in order for us to grant your request to renew the franchise and other rights awarded under your Franchise Agreement or otherwise related to your Franchised Business.
Relocation Fee	$1,000 per Relocation and, only if site visit is requested by Franchisee, any costs and expenses we incur in	As arranged	Please see Item 12 for additional details regarding relocation. Given we expect and assume that you will operate your Franchised Business from you then-current home office within the Designated

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Name of Fee	Amount	Due Date	Remarks
	connection with evaluating and, if applicable, approving your relocation request		Territory(ies) you have been awarded, we do not have any relocation criteria or guidelines other than ensuring your home office or other Premises is located within your Designated Territory(ies) – other otherwise agreed to by us in a separate writing.
Audit Fees	Actual cost of Audit.	Within 30 days of receiving invoice	Payable if audit reveals that you have underreported the Gross Sales of your Franchised Business by two percent (2%) or more for any designated reporting period. See Note 4.
New Product or Supplier Testing	The actual costs we incur in connection with the evaluation/testing procedure.	As incurred	If you propose an alternate supplier or product/service that we have not already authorized for use in connection with your Franchised Business, we may require that you reimburse us (or cover in advance) the actual costs we incur in connection with evaluating your proposal. Please see Item 8 of this Disclosure Document for additional information.
Violation in Connection with Mystery or "Secret" Shopper Program and/or other Quality Control or Quality Assurance Program	Then-current fee charged by our Approved Supplier for such program services Currently, we reserve the right to be reimbursed any costs incurred if you fail a "mystery shop" inspection (currently, we estimate these to be between $175 and $350 per evaluation)	As Incurred	If we establish a mystery shopper or "secret shopper" to (a) assess customer satisfaction with the Franchised Business based on surveys and/or on-site visits that we or our designee conduct, and (b) determine whether the products/services utilized and offered/provided by you and/or other System franchisees meet all of you then-current quality control requirements, you will be responsible for the third-party costs of conducting such surveys or quality assurances in connection with your Franchised Business if such a program reveals a deficiency in operations.
Interest	The greater of (a) 1.5% per month (18% per year), or (b) highest commercial contract interest rate applicable laws permit	Upon demand.	Payable on all delinquent payments. In California, the highest permitted interest rate is 10% per annum. See Note 5.
Collection Charges	Varies	Upon demand.	You must pay all collection charges associated with our efforts in collecting any amounts owed to you or us under the Franchise Agreement.
Attorneys' Fees and Costs	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and any court costs that we incur in connection with enforcing or protecting our rights under your Franchise Agreement and/or Multi-Territory Addendum. These fees will only be recovered in

Name of Fee	Amount	Due Date	Remarks
			the event the Franchisor is the substantial prevailing party in an action.
Fees on Default	Attorneys' fees, costs, interest, audit costs, default fees.	Upon demand.	Payable in addition to other payments to us.
Indemnification	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.
Insurance	Will vary according to circumstance.	Upon demand.	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you a service fee to do so. Otherwise, these payments are made directly to your third-party insurance provider.
Non-Sufficient Fund (NSF) or Dishonored Check Charge	$100	Upon demand.	Payable if a check you provide to us is returned or dishonored by the bank, or if your EFT Account does not have sufficient funds to cover amounts you owe under the Franchise Agreement as they become due and owing to us. This provision is subject to any state-specific laws regarding NSF-related fees, including laws that may limit the amount that we can collect as an NSF charge.
Late Reporting Fee	We reserve the right to charge you $200 per delinquent report		In the event you fail to send us any required reports on time, we may charge you this fee in addition to any other remedies we might have.
Warranty Claim and Customer Complaint Costs and Expenses	Varies according to loss	On demand	You must pay us any fees, costs, or expenses we incur if we manage any warranty claims or customer complaints, or any disputes (including arbitration or litigation) relating to customer complaints or warranty claims.
Management Fee	Up to 8% of the Gross Sales of your Franchised Business during the period of time we or our representative manages your Franchised Business on your behalf (the "Management Fee"), plus the costs and expenses we incur.	As incurred	The Management Fee will only be due to us if (a) you are in material default under your Franchise Agreement or become disable (and unable to perform as the "Franchisee" under your Franchise Agreement), and (b) we exercise our right to temporarily operate your Franchised Business in an effort to assist in getting the operations of the Franchised Business back into compliance with the Franchise Agreement and System standards.
Taxes	Variable	As incurred	You must make timely payments of taxes to us, if applicable.

Name of Fee	Amount	Due Date	Remarks
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your franchise to a third-party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges in addition to paying us the Transfer Fee.
Google Workspace	The Technology Fee includes the cost for one user. Additional users will cost $170/year.	As incurred	Payable to us for additional Google Workspace accounts (beyond the first one, which is included in the Technology Fee) that we own and allow you to use for your Franchised Business.
Non-Development Fee	$2,500/month	Payable monthly for each month the Franchised Business is not opened past the first three months after the Franchise Agreement is executed.	Charged if Franchisee has not opened their Franchised Business within four (4) months from the date you execute your Franchise Agreement.

Explanatory Notes

Generally. Except as otherwise stated in this Item, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System. These fees are payable in U.S. dollars and are non-refundable unless otherwise stated in this Item. Unless otherwise stated, the fees outlined in the Chart above apply to the Franchise Agreement only (and not the Multi-Territory Addendum).

1. **Royalty Fee and Other Fees.** Your Royalty Fee, as well as any other fees payable to us or our affiliates under the Franchise Agreement, may be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior to opening the Franchised Business and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is attached as an Exhibit to our current form of Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account.

   a. Minimum Royalty. You will pay a minimum annual Royalty Fee per Designated Territory based on the below chart ("Minimum Royalty"). If you sign the Franchise Agreement in January through May, then your Minimum Royalty for the Second Calendar Year will be $6,000 per Designated Territory. If you sign the Franchise Agreement in June through December, then your Minimum Royalty for the Second Calendar Year will be $3,000 per Designated Territory. For each Calendar Year beginning with the Second Calendar year, you will pay us the difference between the Royalty Fee (6% of Gross Sales) that you owed us and the Minimum Royalty for that applicable Calendar Year by December 31st. The Minimum Royalty for the Tenth Calendar Year will be pro-rated according to the number of months during that Tenth Calendar Year that you operated. For a renewal franchise agreement (see Item 17), the amounts of the annual Minimum Royalty are increased according to the renewal policy in effect at the time of the renewal.

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Calendar Years	Minimum Royalty **per Designated Territory**
Second Calendar Year (*if FA signed in January through May*)	$6,000
Second Calendar Year (*if FA signed in June through December*)	$3,000
Third Calendar Year	$9,000
Fourth Calendar Year	$11,250
Fifth through Sixth Calendar Years	$15,526
Seventh through Eighth Calendar Years	$15,526
Ninth through Tenth Calendar Years	$22,500

2. **Collection Interval.** We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a monthly rather than weekly basis. Regardless, you are required to provide us with a weekly Gross Sales report detailing your Gross Sales from the preceding Business Week, along with your calculated Royalty Fee, Fund Contribution (if appropriate) and other information that we reasonably require (the "Gross Sales Report") on Monday of each week. We may also require you to use a Computer System and/or related software that provide us with automatic access to such Gross Sales Reports.

3. **Definition of Gross Sales.** "Gross Sales" means the total revenue generated by your Franchised Business, including all revenue generated from the sale and provision of any and all gift cards and other Approved Services at or through your Franchised Business (via Subcontractor work or the Franchisee Services), and all proceeds from any business interruption insurance related to the non-operation of your Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. "Gross Sales" does not include (a) tips received by Subcontractors and that is not payable or otherwise remitted to you or the Franchised Business, (b) any sales tax and equivalent taxes that are collected by you for or on behalf of any governmental taxing authority and paid thereto, (c) the value of any allowance issued or granted to any client of the Franchised Business that is credited in good faith by you in full or partial satisfaction of the price of the Approved Products or Approved Services. The definition of "Gross Sales" may also exclude amounts charged to a customer that purchases a gift card, other electronic stored value card or gift certificate from the Premises, if and as consistent with our then-current System policies, standards and specifications regarding such cards or certificates (as we may update and modify as it determines appropriate via the Manuals or otherwise in writing).

4. **Fund Contributions.** We have established a Fund designed to market and otherwise develop the brand, Proprietary Marks, System, Franchised Businesses, Approved Services and/or Approved Products in the future. You are required to make a Fund contribution in the amount set forth in our Manuals. The Fund may be used for (among other things): product and technology development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; social media; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Franchised Business; agency and consulting services; research; and any expenses approved by us and associated with your Franchised Business. We have sole discretion over all matters relating to the Fund. You must pay for your own local advertising. Please note you will also be required to expend minimum amounts on local advertising and promotion of your Business as disclosed more fully in Item 11 of this Disclosure Document.

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5. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Gross Sales by two percent (2%) or more, than we may require you to (a) pay the costs we incur in connection with conducting the audit of your Franchised Business (including any fees paid to auditors and/or attorneys), and/or (b) provide us with annual audited financial statements regarding the operation of your Franchised Business.

6. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full.

7. **Local Advertising Requirement (or LAR).** You will be required to expend a minimum LAR amounting to 1% of the Gross Sales generated by your Franchised Business over the immediately preceding reporting period under your Franchise Agreement with us. While not a contractual requirement, we strongly recommend that you expend amounts on the local advertising and promotion of your Franchised Business within the Designated Territory(ies) you are awarded that amounts to the greater of (a) $1,500/month, and (b) 5% of the Gross Sales generated by your Franchised Business over the prior reporting period, in order to increase visibility and generate optimal growth in terms of your Business operations.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchised Business with Single Designated Territory

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$59,500	$59,500	Lump sum	At signing of Franchise Agreement	Us
Equipment Acquisition[2]	$17,985	$99,914	Installments	As arranged with third-party provider/lessor	Third-Party Provider of Lease-to-Own Program; Approved Supplier(s), including us
Initial Tools Purchased	$9,000	$12,000	As Arranged	As Arranged	Us & Third Party approved Suppliers

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Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
Office Equipment, including Computer System Hardware[3]	$1,450	$2,500	As Arranged	As arranged	Approved Supplier(s) and/or Third-Party Providers
Signage[4]	$500	$700	Lump Sum	As arranged	Approved Supplier(s)
Telephone System[5]	$200	$950	Lump Sum	As arranged	Approved Supplier(s)
Technology Set-up Fee & First 3 Months Technology Fee[6]	$2,595	$3,240	As Incurred	Upon execution of Franchise Agreement & Upon Invoicing	Certain amounts payable to Us and we pay third-party Approved Suppliers directly; otherwise, Approved Supplier(s)
Lease Deposits in Connection with Mobile Unit and Sales Vehicle – Pre-Opening[7]	$18,278	$28,095	Financed Monthly	As arranged	Third-Party Lessor of Mobile Unit (Truck and Trailer) and Sales Vehicle
Vehicle Wrap[7]	$3,000	$4,000	As incurred	As arranged	Approved Supplier(s)
Third-Party Storage/Operational Space – Lease Deposit[8]	$0	$2,500	As Arranged	As arranged (if applicable)	Landlord (if Franchisee determines to not operate solely from home office as recommended)
Branding Collateral Package; Initial Marketing Materials[9]	$1,400	$2,800	Lump Sum	Upon execution of the Franchise Agreement or otherwise as invoiced prior	Approved Supplier(s); Us
Training and Travel Expense; Labor[10]	$1,600	$2,500	As Arranged	As arranged	Airlines, Meals, Hotel, Employees

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Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
Training Fee[10]	$3,970	$3,970	Lump Sum	Upon execution of the Franchise Agreement	Us
Business Licenses and Permits[11]	$750	$2,500	As Arranged	As arranged	Local Municipal / State Registrant Offices
Uniforms[12]	$600	$800	As incurred	Prior to or upon delivery	Us
Insurance – Initial Premiums (covering post-launch operations)[13]	$1,750	$4,500	Lump Sum or Periodic	As arranged	Approved Suppliers
Marketing Set-up Fee[14]	$1,200	$1,200	Lump Sum	Upon execution of the Franchise Agreement	Us
Initial Marketing Spend[15]	$7,209	$11,209	As arranged	As invoiced by Approved Supplier	Approved Suppliers and/or Us
Professional Fees[16]	$300	$5,000	Lump Sum	As arranged	Advisors
Additional Funds – 3 months[17]	$30,000	$70,000	Ongoing Operating Capital	As arranged and/or agreed to by relevant parties	Varies
TOTAL[18]	$161,287	$317,878			

Explanatory Notes:

Generally. Unless negotiated with a third-party, non-affiliated supplier, all payments disclosed in this Item are generally non-refundable. Please note that the estimates above are, in part, based on (a) our experience establishing, operating and franchising Businesses in Canada, and (b) estimates we have received from our Approved Suppliers and certain other third-party suppliers. The amount listed above are based on running an affiliate location in Calgary, Canada for 8 years. Additionally, these numbers are based on manager experience from supporting and dealing with other franchises in the system domestically and in Canada.

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Our standard franchise offering assumes that a System franchisee will timely open and commence operations of the Franchised Business within the time period set forth in Item 11 of the FDD.

1. **Initial Franchise Fee.** The Initial Franchise Fee is payable upon execution of the Franchise Agreement, and this fee is deemed fully earned and is not refundable upon payment. As set forth in Item 5, the amount of the Initial Franchise Fee depends on the size of the Territory that you operate.

2. **Equipment.** Depending on the size of the Business, we will be required to acquire and maintain equipment to sufficiently outfit the Business in accordance with the System, including: (i) initial stock of operational inventory and supplies; (ii) small tools used in connection with the provision of the Approved Services; and (ii) leasing or purchasing items such as line stripers, stencils, seal-coater, crack-filler applicators, asphalt repair equipment, pressure washers and other such ancillary equipment as specified by us. This estimate does not include shipping costs, which can vary greatly depending on where you are located and the particular equipment you require based on the size of your Business. Below, we have shown estimates of the overall costs, including leasing estimates.

Service Type	Price Range	Down Payment of 20%	Amount Leased at 14%	Monthly Leased Amount	Amount Leased (3 Months)	Down payment + 3 Months
	Low	Low	Low	Low	Low	Low
	High	High	High	High	High	High
Line Painting						
Line Striping Machines	$25,550	$5,110	$20,440	$438	$1,313	$6,423
	$38,025	$7,605	$30,420	$652	$1,955	$9,560
Crackfilling						
Crackfill Melting Kettles	$3,627	$725	$2,902	$62	$186	$912
	$4,902	$980	$3,922	$84	$252	$1,232
Crack Cleaning/Prep Equipment	$4,075	$815	$3,260	$70	$209	$1,024
	$4,870	$974	$3,896	$83	$250	$1,224
Sealcoating						
Asphalt Sealcoating Spray System w/ Attached Tank (300 Gallon)	$10,246	$2,049	$8,197	$175	$525	$2,574
	$13,442	$2,688	$10,754	$230	$690	$3,378
Dual Axle Utility Trailer w/ Ramp	$2,295	$459	$1,836	$39	$117	$576
	$6,295	$1,259	$5,036	$108	$324	$1,583
Billy Goat Blower	$1,040	$208	$832	$18	$54	$262
	$2,400	$480	$1,920	$41	$123	$603
Asphalt Repair						
Infrared Asphalt Repair Heater (4x3)	$11,635	$2,327	$9,308	$199	$597	$2,924
	$13,898	$2,780	$11,118	$238	$714	$3,494
Plate Compactor	$3,800	$760	$3,040	$65	$195	$955
	$4,500	$900	$3,600	$77	$231	$1,131
Asphalt Hot Box (1 Ton)	$8,027	$1,605	$6,422	$137	$411	$2,016
Portable Crane	$1,259	$252	$1,007	$22	$66	$318

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	$3,555	$711	$2,844	$61	$183	$894
Total Initial Required Equipment	**$71,554**	**$14,311**	**$57,243**	**$1,225**	**$3,674**	**$17,985**
	$99,914	**$19,983**	**$79,931**	**$1,711**	**$5,133**	**$25,116**

VEHICLES	Price Range	Down Payment of 20%	Amount Leased at 14%	Monthly Leased Amount	Amount Leased (3 Months)	Down payment + 3 Months
Truck - 3/4 Ton	$56,700	$11,340	$45,360	$972	$2,916	$14,256
	$95,764	$19,153	$76,611	$1,640	$4,920	$24,073
Trailer - Enclosed Trailer Custom Built TOTAL Vehicle	$16,000	$3,200	$12,800	$274	$822	$4,022
VEHICLES	**$72,700**	**$14,540**	**$58,160**	**$1,246**	**$3,738**	**$18,278**
	$111,764	**$22,353**	**$89,411**	**$1,914**	**$5,742**	**$28,095**

OPTIONAL EQUIPMENT, TOOLS & VEHICLES	Price Range	Down Payment of 20%	Amount Leased at 14%	Monthly Leased Amount	Amount Leased (3 Months)	Down payment + 3 Months
Large Asphalt Repair Trailer						
Custom built "EverHeat" Trailer (includes tools, 4 ton hot box, 6x3 heater, crane & compactor)	$53,371	$10,674	$42,697	$914	$2,742	$13,416
TBL Durables						
TBL Duramarker 98:2 Spray MMA Applicator	$37,500	$7,500	$30,000	$642	$1,926	$9,426
Crackfilling						
Bulk Melter - 30 Gallon	$2,632	$526	$2,106	$45	$135	$661
Bulk Melter - 55 Gallon	$6,110	$1,222	$4,888	$104	$312	$1,534
Sealcoating						
550 Gallon Tank, Pump, Air Compressor & Trailer	$19,364	$3,873	$15,491	$332	$996	$4,869
	$22,184	$4,437	$17,747	$380	$1,140	$5,577
700 Gallon Tank, Pump, Air Compressor & Trailer	$20,210	$4,042	$16,168	$346	$1,038	$5,080
	$23,923	$4,785	$19,138	$410	$1,230	$6,015
1000 Gallon Tank, Pump, Air Compressor & Trailer	$23,876	$4,775	$19,101	$409	$1,227	$6,002
	$25,850	$5,170	$20,680	$443	$1,329	$6,499
Power Washing						
Power Washer (Standalone)	$6,000	$1,200	$4,800	$103	$309	$1,509
Truck Mountable Water Tank	$1,500	$300	$1,200	$26	$78	$378
Power Washer (Trailer Unit)	$26,995	$5,399	$21,596	$463	$1,389	$6,788
Surface Cleaner	$1,650	$330	$1,320	$28	$84	$414
Concrete Maintenance and Small Repair						

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Related Tools	$2,500	NA	NA	NA	NA	NA
Epoxy Flooring						
Floor Prep Equipment	$35,000.00	$7,000.00	$28,000.00	$600	$1,800	$8,800
Accessory & Sign Installation						
Related Tools	$1,500	NA	NA	NA	NA	NA
Optional Vehicle						
Sales Vehicle	$39,000	$7,800	$31,200	$668	$2,004	$9,804

Initial Paint Inventory	$5,400	NA	NA	NA	NA	NA

Acquiring Items via Lease-to-Own or Comparable Program. Our standard franchise offering assumes and expects that you will LEASE the required equipment above necessary to launch and commence operations of your Franchised Business. The low end of this range represents that low estimate for the initial payments you will make in connection with such an equipment lease, with an overall estimate of between $17,985 and $25,116 in payments made in connection with such a lease incurred prior to and shortly after the initial launch of your Franchised Business.

Acquiring Items via Outright Purchase. In the event you determine to deviate from our standard franchise offering and recommendations and instead purchase this required equipment outright, then the estimated purchase price for such equipment is between approximately $71,554 and $99,914. The high end of this estimated range accounts for the high amount we estimate will be expended if a System franchisee wishes to purchase this equipment – but, again, our standard franchise offering expects and assumes that you will lease such equipment from an Approved Supplier we designate or otherwise approve.

Regardless of which manner you determine to acquire this equipment, as of the Issuance Date you will only be paying us for the stenciling tools disclosed in Items 5 and 8 of this Disclosure Document (which you may use in connection with your Franchised Business operations only as part of our Confidential Information).

Lastly, please note that "Equipment" does not account for any equipment that you may be required to acquire or maintain at a later time as your operations expands. By way of an example, the EverLine TBL 98:2 Duramarker™ is a piece of equipment that may be required once you have been operating your Franchised Business for a given period of time in multiple Designated Territories (but only after at least one (1) year of operation).

3. **Office Equipment.** This estimate includes office equipment, including but not limited to, (i) the basic hardware components of our current Computer System; and (ii) a safe and basic office supplies. This range assumes that you will be operating from a home office or other existing space your control. Currently, the low-end of this estimate includes approximately $1,200 for a laptop, $150 for a desk, and $100 for a printer/scanner. You may choose to purchase more expensive models of this equipment and an optional second monitor.

4. **Signage.** You are required to purchase and display signage in a manner consistent with our specifications.

5. **Telephone System.** You are required to install and maintain telephone and internet connections at the Premises. This estimate assumes that you will maintain one cellular telephone line and at least one (1) line for Internet. The low-end of this estimate assumes you purchase a cell phone on a

monthly plan. The high-end of this estimate assumes you purchase a cell phone with a lump sum payment.

6. **Technology Set-Up Fee & First 3 Months Technology Fee.** This estimate consists of the following components:

   Technology Set-Up Fee. You are required to pay the Technology Set-Up Fee of $1,950 to us. We will use this fee to install and provide training via the software program that was developed for use in connection with our System and is currently licensed directly from our Approved Supplier (once this set-up fee is paid).

   First 3 Months Technology Fee. The estimated range for this package is to cover the initial costs payable to our Approved Suppliers for the certain initial information technology (IT) services and technology apart from the setup of the Required Software specifically noted below. The Technology Fee is $215 per user per month. You are required to have one license, but you may optionally have a second license. Therefore, the estimated cost for three months is $645 to $1,290.

7. **Vehicle Lease Deposits.** You are required to obtain the truck and trailer comprising the Mobile Unit. You may optionally purchase a new Sales Vehicle, but you can use an existing vehicle of yours for a Sales Vehicle. Our standard franchise offering expects and assumes that you will lease these vehicles to the extent such third-party leasing is made available to you. Lease costs will vary based upon, amongst other things, the vehicles leased and the financing you are able to obtain. This estimate assumes a 60-month lease with a 20% deposit with 10% buyback at a 14% interest rate per vehicle, which would include the leasing costs for each Vehicle itself, and the fixtures and equipment for each Vehicle described above, if each Vehicle is leased fully equipped and fully-equipped. If you elect to purchase your Vehicles, your start-up costs will be higher, perhaps significantly, depending on the type of Vehicles you purchase, whether it is fully-equipped and equipped, and the terms of any financing you may obtain. In certain cases, we may allow you to use a used vehicle that meets our required specification, however, you must first obtain our written consent prior to using or purchasing a "used" vehicle.

   Vehicle Wrap Expenses. You will be required to engage an Approved Supplier to prepare and outfit the Mobile Unit and Sales Vehicle in accordance with our then-current System standards. The exact design and corresponding expenses will depend on the Sales Vehicle and Mobile Unit that you are required to secure as part of your pre-opening obligations under the Franchise Agreement. The estimated cost for the Vehicle Wrap is $3,000 to $4,000.

8. **Lease Deposit for Optional Storage Space.** Rent costs will vary based upon, amongst other things, the square footage of the Premises leased, the cost per square foot, and required maintenance costs. This estimate assumes a monthly rent of $750 to $2,500 and that you will have to pay the first and last month's rent and a security deposit equal to one month's rent at the execution of the lease. Any amounts that you actually pay under the lease are typically non-refundable, however, in certain circumstances the security deposit may be refundable.

   Please recall that our standard franchise offering expects and assumes that our System franchisees will be able to initially operate from franchisee's home office or other existing work space they own/control.

   This estimate is intended to account for an additional storage space that a System franchisee may determine to lease from a third party for storage and/or other ancillary operational purposes (*i.e.* Mobile Unit parking if not permitted at home office). In the event a new System franchisee

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determines to secure such a third-party premises, then our System standards and specifications strongly recommend and assume that the space will be no more than 500 square feet and be primarily used for storage and/or equipping for a given Client project.

9. **Branding Collateral Package Initial Marketing Materials.** The Branding Package will consist of business cards, estimating jackets, pad-folios, and t-shirts for use in promoting the Franchised Business, and some of these materials may be branded or for internal operational use only. The Initial Marketing Materials will include brochures and other collateral/content for use in connection with local marketing efforts within the Designated Territory(ies) your Franchised Business is authorized to operate within. Please note that these materials are in addition to the Initial Marketing Spend expenditures noted below – but such materials can often times be used in conjunction with one another.

10. **Travel and Training Expenses; Training Fee.** In addition to paying us a training fee, which covers attendance for you, your owners (if you are an entity), and your Designated Manager, you are responsible for costs associated with training, including but not limited to transportation, lodging and food, if any such costs are incurred. You are required to travel to a location specified by us, which may be in Houston, Texas, to participate in training. We reserve the right to offer any portion of the Training Program virtually or remotely. This range is designed to cover the travel and living expenses, including lodging, airfare, and meals, which you will incur in attending the Training Program. The cost you incur will vary depending on factors such as distance traveled, mode of transportation, travel preferences, nature of accommodations, per diem expenses, and the number of persons who attend training. This does not account for any payroll costs you may incur for sending your Designated Manager to training.

11. **Business Licenses and Permits.** You are required to obtain all business licenses, permits, certificates or approvals before you start your business. Local, municipal, county, and state regulations vary on what licenses and permits are required by you to operate. You are solely responsible for researching all laws applicable to where your Franchised Business is operated to determine what licenses and permits are necessary.

12. **Uniforms.** You are required to outfit your staff in uniforms specified by us and consistent with the System. This estimate is dependent on the number of uniforms you must purchase in order to outfit your staff.

13. **Insurance.** Your costs for insurance will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors. This is an estimate of insurance premiums for the initial three (3) months of business operation or, in the alternative, 25% of the annual premium if you choose to pay annually. Rikor is our preferred insurance supplier, however it is not a required insurance supplier.

14. **Marketing Set-up Fee.** You must pay the Marketing Set-up Fee to us. We will use this fee to administer an initial marketing campaign and to pay for Search Engine Optimization (SEO).

15. **Initial Marketing Spend.** You will be required to expend at least this much on the initial marketing, advertising and promotion of your Franchised Business within the Designated Territory(ies) you have been awarded under your Franchise Agreement (and, if applicable the Multi-Territory Addendum below). The Initial Marketing Spend includes the following amounts:

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Outbound Campaign + Lead List Software Subscription: You must spend between $1,500 and $2,500 on lead list generation software for 1 year & postage/envelope costs for mailing packages to potential clients.

Digital Marketing Jumpstart SEO Campaign (3 months): You must spend $2,484 on your initial digital marketing SEO campaign over the first three months. This includes a monthly management fee of $495 for 90 days plus the initial $999 setup fee.

Pay Per Click Setup & First 3 Months: You must spend $3,225 to $6,225 on pay-per-click advertising over the first three months of operation. This includes a monthly management fee of $225 and $1000 in ad spend for each of the first three months.

16. **Professional Fees.** ~~We respectfully suggest that you consult with an attorney, accountant and/or other business advisors regarding the purchase and operation of the Franchised Business.~~ This item includes an estimate of the cost to incorporate as an entity and ~~an~~ initial ~~consultation~~consultations with an accountant and an attorney.

17. **Additional Funds – 3 Months.** The estimate includes: leasing payments in connection with (a) the Mobile Unit and Sales Vehicle, and (b) if applicable, the Operational Equipment Package, as well as items such as wages/compensation for personnel (if fixed), any lease payments in connection with a third-party storage space you might determine to acquire, additional advertising/marketing, miscellaneous supplies and equipment, state tax, other amounts you will incur in connection with certain pre-opening sales activities designed to generate clientele and/or attending the on-Premises component of our Initial Training Program (as described more fully in Item 11 of this Disclosure Document) and other miscellaneous items. This range does not include any draw or salary for you. ~~The actual expenses you incur during the start-up period will depend on factors such as how much you follow our methods and procedures, your management skills, your experience and business acumen, location of your franchise, local economic conditions and market for your product, prevailing wage rate, competition, and sales level reached during this initial period.~~ In calculating this estimate, we relied on (a) the experience of our affiliate franchisor and its franchisees in connection with opening, operating and franchising Businesses using the Proprietary Marks and System in Canada, and (b) estimates we received from our Approved Suppliers and other third-party suppliers.

18. **Total Estimated Initial Investment.** The figures in this table are only estimates. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing. Unless otherwise noted above, all of the expenditures listed in the Item 7 Chart above are non- refundable. The figures quoted above are estimates only. This is the estimate to initially launch a Franchised Business in a single Designated Territory, and does not account for any Additional Territory Fees associated with the Multi-Territory Addendum disclosed below in Chart 7(B).

B. Initial Investment in Connection with Executing Multi-Territory Addendum

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to be Made
Additional Territory Fee[2]	**Designated**	**Fee for**			

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to be Made
(for 2nd and each additional Designated Territory awarded under the Additional Territory Addendum)	**Territory**	**that Territory**			
	2nd	$40,000	Lump Sum	Upon signing of the Addendum	Us
	3rd	$35,000			
	4th	$30,000			
	5th	$30,000			
	6th	$30,000			
	7th	$30,000			
	8th	$30,000			
	9th	$30,000			
	10th and each additional D.T.	$30,000			
Investment to Open Franchised Business that Will Have Right to Operate in All Designated Territories[3]	$161,287 to $317,878		See Chart 7(A) above in this Item, as applicable		
Total	$201,287 to $602,878 2 Territories – 10 Territories				

Explanatory Notes to Chart 7(B) Above:

1. **Generally.** All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Multi-Territory Addendum for the right to own and operate three Businesses, as well as the initial investment to open your first Franchised Business under your Development Schedule.

2. **Additional Territory Fee.** The Additional Territory Fee is payable in the event you determine to acquire one (1) or more additional Designated Territory(ies) under our then-current form of Additional Territory Addendum. Please note that the Chart above assumes and details that you will be acquiring one (1) or more Designated Territory(ies)

3. **Estimated Initial Investment to Open Initial Franchised Business.** Once you have commenced operations of your Franchised Business awarded under the Franchise Agreement to which your Multi-Territory Addendum is attached, you may immediately commence operating in all additional Designated Territory(ies) you are awarded under your Addendum.

   Please note that you will have the right to operate a Franchised Business in multiple Designated Territories pursuant to your Multi-Territory Addendum, provided you demonstrate your ability to (a) separately report the Client Data, Gross Sales and other performance metrics and financials of the Franchised Business for each Designated Territory you are awarded via the Required Software, and (b) ensure that the Franchised Business otherwise actively solicits and services each of the Designated Territories awarded under the governing form of Franchise Agreement and the Multi-Territory Addendum, respectively.

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, which we will notify you of in writing, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Products and Approved Services

You may only directly provide the Franchisee Services in connection with your Franchised Business that are primarily designed to generate Clients and manage Client Projects.

We will provide you with a list of our then-current Approved Services and Approved Products, along with their standards and specifications, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any product or service to prospective or existing Client(s) that are not part of our then-current Approved Services or Approved Products, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Franchised Business from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our Affiliate. We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

Currently, we have Approved Suppliers for the following items: (i) line painting machine(s) and other primary equipment necessary to provide the line painting, surface blasting and other Approved Services, (ii) small equipment and certain tools and/or inventory necessary to provide the Approved Services, such as seal-coater(s), backpack blower(s), heated power washer, extra hose/gun parts; (iii) certain initial and ongoing marketing and/or advertising materials or services; (iv) the trailer component of the required Mobile Unit; (v) proprietary stencils for us in connection with line painting and/or other Approved Services; (vi) the Branding Collateral Package; (vii) uniforms; (viii) bookkeeping services (ix) certain initial technology setup services; and (ix) certain Required Software and certain Computer System components.

As of the Issuance Date, we are the Approved Supplier for the Required Items listed in subparts (iv) through (ix) of the above paragraph. As of ~~April 10~~June 1, 2024, ~~our affiliate, TM Owner, acquired a majority interest in~~ TBL Durables ~~Inc., which~~US is our only approved supplier of sprayable methyl methacrylate products and equipment~~. TM Owner~~, which are optional purchases for our franchisees. TBL Durables US did not receive any revenue from required purchases by franchisees in the fiscal year ending December 31, 2023. Otherwise, as of the Issuance Date of this Disclosure Document, we do not have any affiliates that we have designated as an Approved Supplier for any of the Required Items noted in the preceding paragraph in the Manuals or otherwise.

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In the future, we reserve the right to designate us or any affiliate/parent of ours as the Approved Supplier for any additional or other item or service that you are required to purchase and/or utilize in connection with your Franchised Business. This includes any proprietary products we develop or have developed for use in your Franchised Business, including private-label products that bear our Proprietary Marks.

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

As of the Issuance Date, one of our officers indirectly owns an interest in TBL Durables Inc. from which you may directly purchase or lease in connection with your Franchised Business. Otherwise, as of the Issuance Date, none of our officers own an interest in any Approved Supplier from which you must directly purchase or lease in connection with your Franchised Business.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 75% to 80% of your total costs incurred in establishing your Franchised Business, and approximately 35% to 65% of your ongoing costs to operate the Franchised Business after the initial start-up phase. Please be advised that these percentages do not include your lease payments you make in connection with your Premises.

We reserve the right to derive revenue from any of the purchases (items or services) that our System franchisees are required to make in connection with the Franchised Business. ~~During~~As of the ~~fiscal year ending December 31, 2023, we received rebates from Sherwin Williams from~~Issuance Date of this Disclosure Document, one of the Approved Suppliers of optional (not required) ~~purchases by~~paint products for our franchisees ~~of paint products~~pays us a rebate of 1% of net sales (which may grow to 2% based on purchase growth), $0.25 per gallon purchased, and $10,000 CAD for marketing.

During the fiscal year ending December 31, 2023, we collected $1,743,992 in revenue from required franchisee purchases of Tech Fees, Marketing Fees, Trailers, Toolkits, and Software Fees which represents 40.5% of our total revenue of $4,302,387 for the year. During the fiscal year ending December 31, 2023, one of the Approved Suppliers of optional (not required) paint products paid our affiliate, TM Owner, a rebate based on purchases by our franchisees and TM Owner's franchisees, of which $73,947 was allocated to us. Other than this, neither we nor our affiliates derived revenue from required purchases by franchisees in the fiscal year ending December 31, 2023.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not Approved Products and Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved

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product evaluation fee when submitting your request. We do not currently charge any evaluation fee but reserve the right to do so in the future (in an amount not to exceed $500 per request). We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 120 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Gift Card Policies (if and when applicable)

In the event we establish a gift card program online or make such gift cards available for purchase to Clients, then you will be required to (a) acquire and make sure cards available, and (b) honor such gift cards that prospective and existing Clientele present as consideration for a given Client Project, in accordance with our then-current System standards and specifications as set forth in our Manuals or otherwise in writing. As of the Issuance Date, we do not yet utilize gift cards or authorize the offer/sale of such cards as part of our offering – but we reserve the right to do so in the future.

Customer Service Policies and Warranty Programs

You are required to follow all customer service policies as we identify and modify them from time to time in our Manuals or otherwise in writing. Our then-current System policies regarding refunds and/or the provision of "make up" services may be set forth and/or modified upon written notice.

You must issue the warranties to your Clients for all products and services sold or delivered by the Franchised Business that we prescribe in the Manuals or otherwise in writing (the "Warranty"). You must comply with the policies relating to Warranties that we designate from time to time. You must refrain from issuing or offering any Warranty of which we have not approved.

You must promptly, fully, and courteously perform under all Warranties. We have the right, but not the obligation, to respond to and settle or otherwise resolve any warranty claims, to manage all disputes and to control all mediation/arbitration and litigation (including any settlement or other resolution) relating to Warranty claims as we deem appropriate. However, you must reimburse us for all fees, costs, and expenses that we incur in connection with such warranty claims, disputes, arbitration, and litigation within 30 days of your receipt of our invoice.

Purchasing Cooperatives and Right to Receive Compensation

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We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Businesses in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our Affiliate or other affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised Businesses in the System, such as rebates, commissions or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. As of the Issuance Date of this Disclosure Document, our Approved Suppliers for paint products and asphalt sealant each pay us a rebate of 2.5% of all franchisee purchases. Some of our Approved Suppliers will pay us a higher rebate as franchisee purchases increase. We and/or our Affiliate or other affiliate(s) may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We currently have purchasing cooperatives with certain suppliers that are set forth in our Operations Manual. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers.

Advertising

All advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements we prescribe in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use.

Premises: Home Office or Other Existing Work Space Expected; Optional

We do not have any pre-existing criteria for the home office or other existing work space you own or control and assume and from which our standard franchise offering expects and assumes you will establish your initial base of operations for your Franchised Business for at least your initial ramp-up period of operations. In the event you wish to acquire a third-party space to utilize for storage and/or operations in addition to your home office, we recommend acquiring a space that is primarily used for storage purposes and that is approximately 1,000 square feet in size with adequate parking for the vehicles and Mobile Unit. You may not use any signage or trade dress at a third-party space without our prior written approval.

Insurance

You must obtain and maintain the insurance coverages and policies that we prescribe in the Franchise Agreement and/or our Manuals. Each insurance policy must be issued by an issuer we approve, who must have an A.M. Best Rating of not less than A-VII. Currently, Rikor is an approved and preferred insurance supplier, but franchisees are not required to engage Rikor. Rikor has worked with us to put together a comprehensive insurance package for our franchisees that meets our standards and requirements. We may require that these policies name us as an additional insured and contain a waiver of subrogation in our favor. The policies must provide us with written statutory cancellation notice and non-renewal. We may

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periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect, or any other evidence of coverage that we may require from time to time. If you provide any Approved Services for Reserved Accounts, you may be required to obtain insurance coverage that is higher than what we require in our Manuals.

All insurance must follow and maintain the following minimum amounts of insurance:

(A) General liability, franchisee shall have no less than $1,000,000 over coverage per occurrence, Damage to Rented Premises of $50,000, Medical expenses of at least $5,000, Personal and Advertising Injury occurrences of $1,000,000, General Aggregate of $2,000,000, Product liability aggregate of $2,000,000, and an occurrence form. (If located within North Dakota, Ohio, Washington, & Wyoming you will be required to have Stop Gap);

(B) Auto Liability, franchisee shall have no less than $1,000,000 of combined single limit, uninsured/ underinsured motorist coverage, Non-owned and hired auto for non-fleet coverage, and Any auto and owned auto for fleet locations or owned auto, scheduled auto, non-owned and hired auto coverage, and comprehensive and collision coverage with a Max deductible of $1,000;

(C) Workers Compensation and Employers Liability, franchisee shall have no less than $1,000,000 of workers compensation and employment liability, this cannot exclude owners and operators, Stop gap required in monopolistic states, and short-term disability per state requirements;

(D) Equipment Coverage/ Business Interruption, franchisee shall have no less than $150,000 of equipment coverage for (i) Line stripers, (ii) Steal Coaters, (iii) Crack filling setup, and (iv) Asphalt repair equipment and no less than $100,000 for Business interruption coverage;

(E) Optional coverage. The following is optional coverage and recommended for the franchisee. An Umbrella policy of $1,000,000 per occurrence and $1,000,000 in the aggregate. Employment Practices Liability for $250,000 per occurrence and $250,000 in the aggregate, $25,000 max deductible, third-party liability included, and Wage and Hour included.

Computer Hardware and Software

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. We may require you to purchase any of these items from one of our Approved Suppliers. We may require you to purchase any of these items from one of our Approved Suppliers, and we currently have an Approved Supplier in connection with the software you must use at your Franchised Business (and maintenance/support associated with this software).

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ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2, 5, and 6	Item 11, 12
b.	Pre-opening purchases/leases	Sections 5 and 6	Items 7, 8, 11, 12
c.	Site development and other pre-opening requirements	Sections 2, 5, and 6	Items 6, 7, 11
d.	Initial and ongoing training	Sections 5 and 6	Item 11
e.	Opening	Sections 5 and 6	Item 11
f.	Fees	Sections 3, 4, 9, and 13I	Items 5, 6, 7, 11, 12
g.	Compliance with standards and policies/operations manual	Sections 5 and 6	Items 6, 11
h.	Trademarks and proprietary information	Section 7	Items 13, 14
i.	Restrictions on products/services offered	Sections 5 and 6	Items 8, 11, 16
j.	Warranty and customer service requirements	Section 6	Not Applicable
k.	Territorial development and sales quotas	Sections 2 and 6	Item 12
l.	Ongoing product/service purchases	Sections 5 and 6	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Section 6	Items 8, 11
n.	Insurance	Sections 6 and 11	Items 6, 7, 11
o.	Advertising	Sections 4, 5, 6, and 9	Items 6, 11
p.	Indemnification	Section 11	Item 9
q.	Owner's participation/ management/staffing	Section 6	Item 15
r.	Records and reports	Sections 4, 6, and 10	Items 6, 9, 21
s.	Inspections and audits	Sections 5 and 10	Items 6, 11, 21
t.	Transfer	Section 13	Item 17
u.	Renewal	Section 3	Item 17
v.	Post-termination obligations	Sections 14(B) and 16	Item 17
w.	Non-competition covenants	Section 14	Items 15, 17
x.	Dispute resolution	Sections 19 and 21	Item 17
y.	Personal guaranty	Exhibit B	Items 15, 17

	Obligation	Section in Multi-Territory Addendum	Disclosure Document Item
a.	Site selection and acquisition/lease	Not Applicable	Item 11, 12
b.	Pre-opening purchases/leases	Not Applicable	Items 7, 8, 11, 12

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	Obligation	Section in Multi-Territory Addendum	Disclosure Document Item
c.	Site development and other pre-opening requirements	Sections 2, 3 and Schedule 1	Items 6, 7, 11
d.	Initial and ongoing training	Section 4	Item 11
e.	Opening	Section 3	Item 11
f.	Fees	Sections 2, 5, 7 and 8	Items 5, 6, 7, 11, 12
g.	Compliance with standards and policies/operations manual	Not Applicable	Items 6, 11
h.	Trademarks and proprietary information	Not Applicable	Items 13, 14
i.	Restrictions on products/services offered	Not Applicable	Items 8, 11, 16
j.	Warranty and customer service requirements	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Sections 3 and 5	Item 12
l.	Ongoing product/service purchases	Section 6	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Section 6	Items 8, 11
n.	Insurance	Not Applicable	Items 6, 7, 11
o.	Advertising	Not Applicable	Items 6, 11
p.	Indemnification	Not Applicable	Item 9
q.	Owner's participation/ management/staffing	Not Applicable	Item 15
r.	Records and reports	Not Applicable	Items 6, 9, 21
s.	Inspections and audits	Not Applicable	Items 6, 11, 21
t.	Transfer	Section 7	Item 17
u.	Renewal	Section 8	Item 17
v.	Post-termination obligations	Section 9	Item 17
w.	Non-competition covenants	Section 9	Items 15, 17
x.	Dispute resolution	Sections 12 and 13	Item 17
y.	Personal guaranty	Not Applicable)	Items 15, 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

A. Pre-Opening Obligations

Prior to the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. We will define (a) your home office or other approved Premises, and (b) the Designated Territory(ies) associated with your Franchised Business where appropriate in the Franchise Agreement and, if applicable, Multi-Territory Addendum. (Franchise Agreement, Section 2(B));

2. We will provide you with online access to, or otherwise loan you, one (1) copy of our confidential and proprietary Manual. You must operate your Franchised Business in accordance with the Manual and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Manual(s) as of the Issuance Date of this Disclosure Document is attached to this Disclosure Document as Exhibit D, and the Manuals are collectively a total of approximately 826 pages of content. Please note that certain portions of the Manuals may be provided via update or communications from a website or web portal that is controlled and/or registered to us (each, a "System Site"), and you will be solely responsible for ensuring compliance with these "online" portions of the Manuals as well. (Franchise Agreement, Section 5(D));

3. We will provide you with a list of our Approved Products and Approved Suppliers (to the extent we have designated them) and specifications for the Required Items (to the extent we have them), either as part of the Manuals or otherwise in writing. You will be responsible for sourcing equipment, signs, fixtures, opening inventory, and supplies from our Approved Suppliers or other suppliers as set forth in the Manuals. The Manuals will provide written specifications for all such equipment, signs, fixtures, opening inventory, and supplies. We do not currently deliver or install any items for you. (Franchise Agreement, Section 5(D));

4. We will review and approve the proposed layout and design of your Premises as well the equipment, furniture and fixtures used in connection with your Franchised Business, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 5(D)); and

5. We will provide our initial training program in connection with the initial Franchised Business you are awarded the right to open and operate which must be completed to our satisfaction (the "Initial Training Program") that is comprised of three (3) components, namely:

i. A self-study component that is (a) provided to our new System franchisees via remote instruction, and (b) requires approximately five (5) to 10 hours of self-study, along with around one (1) hour to 2 hours of meeting time with a System onboarding manager or "cohort" (typically, another System franchisee) via Google Meet®, Zoom® or comparable video meeting technology, each week over an 12-week period of time (the "Self-Study Onboarding Component");

ii. Approximately one (1) week (typically 6 days long, 8 hours per day) of on-site or video-based virtual training that we may provide on-site at our then-current corporate training facility and/or via remote instruction, as we determine appropriate in our discretion (the "Pre-Opening Training Component"); and

iii. Follow-up "in-field" training and/or support that our trainer personnel will provide on-site within your Designated Territory over a period of two (2) to three (3) days, as we determine appropriate in our discretion, and that we typically expect to provide within

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the 60-day period following the launch of your Franchised Business (the "Post-Opening Training Component").

Training programs are conducted on an as-needed basis. As of the Issuance Date, we do reserve the right to require you to attend the Pre-Opening Training Component at our then-current training facility (whether located in Texas or otherwise). The Self-Study Component must be completed in full before you are eligible to attend and/or otherwise participate in our Pre-Opening Training Component, and both the Self-Study Component and Pre-Opening Training Component must be completed by you and/or, if applicable, any Designated Manager you contemplated using in connection with a given Franchised Business prior to the required or actual opening/launch of that Business. (Franchise Agreement, Sections 5(A) and 6).

Please note that there is an optional training module associated with the provision of epoxy-related services. As of the Issuance Date, our standard franchise offering expects and assumes that you will not commence offering such services until you have established your Franchised Business operations providing the line painting and other Approved Services that our System franchisees will each be required and authorized to provide upon launching operations.

Please also note the following regarding the initial training disclosed above:

a. We may condition your ability to participate in the Pre-Opening Training Component or subsequent initial training on you: (i) expending the required amounts on the marketing and pre-opening sales activities we designate or otherwise approve in connection with your business plan and Initial Marketing Spend; (ii) undertaking all steps to establish and provide us with access to your EFT Account consistent with your Franchise Agreement, including providing us and/or our designee with a signed and completed copy of the authorization form attached to your Franchise Agreement as an Exhibit, as well as any other authorizations and approvals necessary for us or our designee to access such EFT Account; (iii) demonstrating that you have obtained all required insurance coverages as set forth in this Agreement and the Operations Manual; and (iv) providing us with completed and signed copies of all agreements and contracts that are attached as Exhibits to your Franchise Agreement, to the extent such documents have not been signed or need to be updated or completed at that time (collectively, the "Training Pre-Conditions");

b. If you (a) have a Franchised Businesses that is authorized to operate in multiple Designated Territories, or (b) otherwise get our prior written approval, then (i) you may determine to appoint a manager to run the day-to-day operations of any additional Business within its corresponding territory (the "Designated Manager"), and (ii) this Designated Manager must participate in and complete all components of the initial training disclosed above that we designate. With that said, we may permit or require that you, your Designated Manager and/or personnel to attend all or certain components of the Initial Training Program that are designed to cover the areas of instruction that are more specific to the roles and corresponding responsibilities you have identified for these individuals. Please note that our standard franchise offering assumes and expects that you will directly manage the day-to-day operations of your Franchised Business and, as such, will not involve the hiring or other engagement of a Designated Manager;

c. You are also solely responsible for all costs and expenses you (and your personnel) incur in connection with completing the Initial Training Program, including employee wages;

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d. Once we provide you with the Self-Study Onboarding Component and the Pre-Opening Training Component, you or your Designated Manager will be solely responsible for training all subsequent personnel that works at your Franchised Business;

e. Your Franchised Business may not launch or open in any Designated Territory to the public until (a) you and your personnel are all properly trained, and (b) we have otherwise approved such opening in writing;

f. Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and Manuals, as well as changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained;

g. Our training program will be supervised by (i) Nigel Baxter, who has been a Canadian EverLine Coatings and Services franchisee since 2017 and has over 8 years of experience in the topics he teaches, (ii) Cameron Aiton, who has been with us since 2012 and has over 11 years of experience in topics he teaches, (iii) Eric Lavergne Giroux, who has been a franchisee since 2018 and has over 7 years of experience in the topics he teaches. We reserve the right to appoint and substitute other individuals to assist in providing training, and we expect that any substitute trainers will typically have at least one (1) year of experience in the subject matters that they teach;

h. Below please find the details of our initial training program below:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
"Set the Foundation" Virtual Onboarding Program	60	0	Remote Instruction (as part of Self-Study Onboarding Module)
Welcome & Expectations – Brand Story + History of EverLine	1	0	Our designated training facility in Houston, TX or other location and/or via Remote Instruction
Sales – Marketing, Sales & Estimating, Service Expansion, Sales Process	7	3	Our designated training facility in Houston, TX or other location and/or via Remote Instruction

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Administration – Human Resources / Office Management / Accounting	10	0	Our designated training facility in Houston, TX or other location and/or via Remote Instruction
Operations – Safety / Project Management / Maintenance/ Production	20	20	Our designated training facility in Houston, TX or other location and/or via Remote Instruction
On-Site Launch Training	N/A	14	Within Franchisee's Designated Territory (as part of Post-Opening Training Component)
TOTAL	**98**	**37**	

B. Site Selection

Home Office

Our standard franchise offering expects and assumes that you will operate your Franchised Business primarily from a home office that has permitted parking for your Mobile Unit and Sales Vehicle and that you will also obtain a storage space for two trailers and at least 500 square feet of storage space for equipment and other items.

While we may permit you to lease or otherwise utilize existing or third-party space for storage and/or other operational purposes, our currently guidelines are only that your storage space (1) be approximately 1,000 square feet with enough space for two trailers and 500 square feet dedicated to storage of equipment and other items; and (2) be located within your Territory(ies). If we develop additional guidelines in the future with regards to any third-party space that must be leased, we will set forth those guidelines in the Manuals or otherwise in writing. (Franchise Agreement, Sections 2(B) and 5(D)).

With that said, we would expect and recommend that any storage space used in addition to your home office be at least 500 square feet in size and that is be generally suitable for storage of inventory and other Required Items associated with your Franchised Business operations. We would also recommend that you do not secure or start incurring the expenses associated with such a third-party space until you have launched your Franchised Business and are generating cash flow.

We do not currently have any approved or recommended supplier for site selection assistance, and we do not expect to designate such a provider in the future given you and other System franchisees are expected and able to operate from a home office space that we will designated as your Premises in the Data Sheet to your Franchise Agreement when signing. We do not generally own your Premises and lease it to you.

We will use reasonable efforts to approve or reject any proposed third-party space you propose within 30 days of the date you provide us with all requested materials. If we determine that an on-site evaluation is necessary, then you must: (i) submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (ii) reimburse us for the expenses incurred in connection with such an evaluation. If we do not provide our specific approval of a proposed location within this 30-day period, the proposed location will be deemed rejected. We do not provide assistance with conforming the Premises to local ordinances and building codes and obtaining any required permits.

We expect that you will already have your home office or other existing Premises when you sign your Franchise Agreement. If for some reason you are not able to confirm your home office or other existing work space is capable of serving as the Premises of your Franchised Business at the time we enter into a Franchise Agreement, then you must provide us with confirmation of that home office or other Premises within three (3) months of executing your Franchise Agreement. Otherwise, we may charge a Non-Development Fee of two thousand five hundred dollars ($2,500) per month that you are not open or terminate your Franchise Agreement upon written notice.

C. Time to Open

Single Franchised Business

You must open and commence operations of your Franchised Business within four (4) months from the date you execute your Franchise Agreement for that Franchised Business. (Franchise Agreement, Section 6I). Your total timeframe may be shorter or longer depending on the time necessary to (a) attend and complete all training, (b) develop, plan and commence executing (with our approval) your initial marketing plan (via your expenditures from the Initial Marketing Spend discussed below in this Item), (c) equipping your Premises and any Mobile Units that must be acquired and utilized, and (d) acquire all inventory and marketing materials necessary for your initial period of operations.

If you do not open or operate your Franchised Business within this period, then we may terminate your Franchise Agreement (unless we agree to extend your opening deadline in a writing signed by both parties and subject to a Non-Development Fee). (Franchise Agreement, Section 6I). ~~However, we anticipate that you will open your~~The typical length of time between the signing of the Franchise Agreement and opening of the Franchised Business ~~within~~is four (4) months ~~after signing the Franchise Agreement~~.

Multi-Territory Operations

If you are awarded the right to operate your Franchised Business in more than one (1) Designated Territory pursuant to a Multi-Territory Addendum with us, then you will have the right to operate in all Designated Territory(ies) awarded under that Addendum: (i) at the same time you launch and commence operations of your Franchised Business if you sign such an Addendum at the same time you sign your Franchise Agreement or otherwise prior to opening your Franchised Business; or (ii) immediately upon execution of the Multi-Territory Addendum if you are already open and operating your Franchised Business prior to the execution date. (Multi Territory-Addendum, Section 2).

With that said, we do not have a specific requirement for when you must commence actively soliciting customers in additional Designated Territory(ies) awarded under your Multi-Territory Addendum, provided you comply with your Minimum Royalty and other obligations under that Addendum set forth in that

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Addendum. We do strongly recommend and encourage our System franchisees to actively solicit within, and otherwise actively "work" and exploit, each Designated Territory awarded as part of a Multi-Territory Addendum from the applicable date that the franchisee is able to start providing Authorized Services in that territory. (Multi Territory-Addendum, Section 5).

D. Post-Opening Obligations

After the initial launch of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. We may offer, and require you and your Designated Manager to attend, Additional Training or similar programs and/or refresher courses, as we deem necessary in our sole discretion. While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager attend up to five (5) days of Additional Training each year at our headquarters in Alberta or other location we designate. You will be required to pay our then-current Additional Training Fee for any Additional Training you and your employees request to attend and any Remedial Training that we require. You will also be solely responsible for all expenses incurred in attending Additional Training. We reserve the right to charge our then-current Training Fee (currently, $3,970/trainee for the Initial Training Program; $500/day per trainer for all other training) for Additional Training, plus the other fees and expenses our training personnel incurs in connection with this type of training (Franchise Agreement, Section 5I);

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, intranet communication, Skype®, Zoom® or comparable program or any other communication channel, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 5(F));

3. We may also provide you with additional on-site assistance and/or training, subject to the availability of our field representatives and, upon our request, payment of our then-current Training Fee in connection with any: (i) Additional Training or on-site assistance that you request; (ii) Remedial Training you or your personnel are required to attend; and/or (iii) training that we provide to any replacement personnel, including any portion of the Initial Training Program that such personnel must receive prior to undertaking any corresponding duties or responsibilities at your Business. We currently do not offer or require refresher training courses but we reserve the right to do so. (Franchise Agreement, Section 5I);

4. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5(G));

5. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(L));

6. We may schedule and hold a franchise conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five (5) days each year, and it may be combined with our affiliate's annual

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System conference for Business owners. You will responsible for the costs and expenses you incur in connection with any franchise conference and you will be required to pay our then-current attendance/registration fee (which we currently estimate will be between approximately $1,200 and $1,500 as disclosed more fully in Item 6). (Franchise Agreement, Section 5(P));

7. We will display the contact information of your Franchised Business on the website that we or our designee maintains to advertise and promote the brand, our Proprietary Marks and other Franchised Business locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading "Advertising and Marketing" for further information (Franchise Agreement, Section 9(H);

8. We will, as applicable, administer and maintain the Fund as we determine appropriate. (Franchise Agreement, Section 9(L));

9. We may, as we deem appropriate in our discretion, establish and maintain a website or other online portal of any kind that will be accessible by our franchisees, which may be used for purposes of (a) providing updates, supplements and supplemental information that will constitute part of one (1) or more Manuals, (b) providing webinars and other training, including portions of our Initial Training Program, (c) providing advertising templates or other marketing/promotional materials, as well as information related thereto, and (d) otherwise communicate with our franchisees regarding the brand, System and/or specific operational/promotional aspects of a Franchised Business (collectively, the "System Site"). (Franchise Agreement, Section 5(D));

10. We may conduct, as we deem advisable in our sole discretion, inspections of the Premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of a System franchise, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Section 5(K));

11. We may supplement, revise or otherwise modify the Manuals and/or a System Site as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail and our System-wide intranet. (Franchise Agreement, Section 5(D)); and

12. We may: (i) research new services, products and equipment and methods of doing business and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (ii) create and develop additional products and services to be offered or provided as Approved Services and/or Approved Products (including Project Materials) that can be made available and offered to prospective and existing Client(s), including proprietary products and services that may be sold under the trademarks we designate. (Franchise Agreement, Section 5(J)).

13. To the extent permitted under applicable law, you must use commercially reasonable efforts to follow our general pricing guidelines, including any promotional prices we set for a particular Approved Product or Approved Service. However, as an independent contractor, you may exercise flexibility in meeting competition with respect to the pricing of the Approved Products and Approved Services. The Computer System you are provided with will assist you in setting prices for the products and services you offer. You must comply with all of our policies regarding advertising and promotion, including the use and acceptance of coupons, gift cards or incentive programs. (Franchise Agreement, Section 6(S)).

E. <u>Advertising</u>

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All advertising and promotion that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 9(B)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 30 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Initial Marketing Spend. Prior to opening, you must expend between $3,000 and $5,000 on the promotion of your Franchised Business within the Designated Territory (or Territories) you are awarded under your Franchise Agreement and, if applicable, Multi-Territory Addendum. We may require that you expend all or some portion of this Initial Marketing Spend on services and/or content that is acquired from one (1) or more of our Approved Suppliers. We expect and assume that your Initial Marketing Spend will be expended in the four (4) weeks prior to your contemplated launch through up to four (4) weeks beyond your initial launch of your Franchised Business. (Franchise Agreement, Section 9(B)).

Local Advertising Requirement. Your Local Advertising Requirement requires that you expend a minimum of one percent (1%) of the Gross Sales generated by the Franchised Business over the preceding calendar month (Franchise Agreement, Section 9(D)) on the local advertising, marketing and promotion of your Franchised Business within the Designated Territory(ies) you are awarded. You may be required to expend all or any portion of your Local Advertising Requirement on materials, products and services that are provided by our one (1) or more of our Approved Suppliers (which may be us or our affiliate). As disclosed in the Explanatory Notes to Item 6, this is the minimum you must expend on the promotion, advertising and marketing of your Franchised Business – and we recommend that you expend additional amounts on local advertising and marketing within your Designated Territory amounting to the greater of (i) 5% of the Gross Sales of your Franchised Business during the preceding calendar year of operations, or (ii) $1,500/month.

Brand Development Fund. We have established a brand development Fund that is designed to market, advertise, promote and/or otherwise develop the System, Franchised Business model, Approved Services, Franchisee Services, Project Materials and/or other Approved Products and/or our brand generally, including enhancing the brand experience for clients and customers. (Franchise Agreement, Section 9(D)).

As of the Issuance Date, you are required to: (i) make a Fund Contribution amounting to two percent (2%) of the Gross Sales of your Franchised Business to that Fund; and (ii) remit such contributions to us at the same time and manner as your Royalty. We reserve the right to increase your Fund Contribution to an amount equal to up to three percent (3%) of your Gross Sales. (Franchise Agreement, Section 9I).

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We will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, securing and managing national accounts, and any other activities that we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; developing franchisee remote training tools and/or other technology tools designated to further develop the brand and/or our then-current System; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing. We will not spend any amount on advertising in the franchisee's area or territory that is not in relation to the Brand Development Fund.

We will account for the Fund contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest, determined from time to time by us, which provides us with a return commensurate with the prevailing interest rate charged by persons in the business of lending money under similar circumstances) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase "Franchises Available" on any and all advertising/marketing that is covered by the Fund. We may incorporate the Fund or operate it through a separate entity if we deem appropriate.

Any affiliate-owned businesses may, but will not be required to, contribute to the Fund in the same manner that each Franchised Business is required to contribute. We are not required to spend any Fund Contributions in the Designated Territory you are granted under your Franchise Agreement, and we will provide you, upon request, with an accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion.). (Franchise Agreement, Section 9I). During the fiscal year ending December 31, 2023, we expended $206,895 of the Brand Development Fund. Of this amount, approximately 73% was spent on media production, 8% was spent on media placement, and 43% was spent on administration and other expenses as follows: website development (28.5%), Software (66.7%), Prospecting (2.27%), and Answering Services (2.53%).

Advisory Council. We have established an advisory council (the "Advisory Council"). The Advisory Council serves in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund and operational matters. At our discretion, the Advisory Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve the Advisory Council at any time.

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(Franchise Agreement, Section 9(F)). Currently, the following three franchisees are members of the Advisory Council:

Franchisee	Address	Phone
Jon Cahill	33 Commercial Street, Gloucester, MA 01930	978-219-2526
Holly & Anthony Turkovic	1211 McClelland Drive, Port Vue, PA 15133	412-206-9422
Max McGill	110 Southview Drive, Hoover, AL 35244	205-210-8444

Regional Advertising Cooperatives ("Cooperatives"). We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more Businesses (whether a Franchised Business or Affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Business owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Businesses within the geographical boundaries of the Cooperative. If you are designated as a member of a Cooperative, you may be required to contribute to the Cooperative in an amount not to exceed the then-current Local Advertising Requirement. All amounts paid to a Cooperative will be credited toward your Local Advertising Requirement. Each year, every operating Cooperative will prepare financial statements which will be made available to franchisees. We have not established any Cooperatives as of the Issuance Date of this Disclosure Document. We reserve the right to establish the governing rules, terms, and operating procedures of any Cooperative and make them available for Franchisee's review. (Franchise Agreement, Section 9(H)). If there is an affiliate-owned Business that is located within the Cooperative's geographical boundaries, then that Business will be permitted to vote on Cooperative matters and, in the event they are involved in the Cooperative vote, such Business(es) will make the same Cooperative contributions made by the other System Businesses in that Cooperative – otherwise, these Businesses will have the option, but not the obligation, to contribute. (Franchise Agreement, Section 9(H)).

Online Directories. As another means of advertising, you must ensure that the Franchised Business is listed in appropriate Internet-based telephone directories that we designate. You must ensure that your Franchised Business has a dedicated telephone line that is not used for any other purpose. (Franchise Agreement, Section 9(D)).

Remodeling. We may require you to make such additions, alterations, repairs, and replacements at the Premises and to the fixtures, furnishings, signs and inventory therein to comply with our then-current System trade dress, standards and specifications. (Franchise Agreement, Section 6(G)).

F. Computer System

We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business, which currently includes: a computer (laptop or desktop), printer, scanner and, if you determine appropriate, one (1) or more tablets for use in connection with the sales or services calls (collectively, the "Computer System"). You must also use all Required Software we designate that is not provided as part of your Technology (if we determine to establish), and we expect to typically have Approved Suppliers for any software that involves any Client Information or other Confidential Information that is owned by us or part of the System. (Franchise Agreement, Sections 4I, 10I and 10(D)). As of the Issuance Date of this Disclosure Document, the Required Software consists of Airtable, Hubspot, KNowHow, Proposify, Zoominfo, and Google Workspace.

We reserve the right to approve all of the foregoing hardware before it is used in connection with your Franchised Business, and none of the foregoing hardware may be used for any other purpose other than operating your Franchised Business. You will also need to maintain Internet access. (Franchise Agreement, Sections 4I and 10I).

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We estimate the costs to purchase the initial hardware components of the required Computer System to be between $1,000 and $2,500. This does not include: (i) the $1,650 Technology Set-Up Fee that must be paid to us prior to opening; (ii) the ongoing Required Software fees that we, as of the Issuance Date, collect each month to pay our Approved Suppliers for such software (currently, these fees total around $190/month per user license); or (iii) any Technology Fee we determine to establish and/or maintain in the future (which we reserve the right to impose in the future).

You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing. We estimate that you will spend approximately $100 to $1,000 annually on maintenance and support contracts for your Computer System, which includes any upgrades to the Computer System. There are no contractual limitations on the frequency and cost of your obligation to upgrade or update any system during the term of the franchise agreement. Neither we nor our affiliates are involved in the provision of ongoing maintenance, repairs, upgrades, or updates to the Computer System as of the Issuance Date, but we each reserve the right to be an Approved Supplier for such services in the future.

You must have the components necessary to ensure that the entire Premises of the Franchised Business has access to the Internet via Wi-Fi connection. We may require that: (i) you comply with our standards and specifications for Internet access and speed; and (ii) the Computer System, including all Required Software, be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We will also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). There are no contractual limitations on our right to access the information and data on any component of your Computer System. The data generated or stored in the Computer System for your Franchised Business includes customer data, job data, financial data, and communications among other records related to the operation of the Franchised Business. We may also require you to use a Computer System and/or related software that is administered through us and provides us with automatic access to all data and reports that might be created by such Computer System and/or software, including any security camera footage. (Franchise Agreement, Section 6I).

You are also required to participate in any System-wide area computer network, including any System Site that you are provided access to as our System franchisee, that we implement, and may be required to use such networks or System Site to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 4I).

G. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, Instagram, LinkedIn, Instagram, Pinterest, Twitter, YouTube or any other social media and/or networking site. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement, Section 9(G)).

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We have the right to establish and maintain a primary website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Business.

We will have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our Affiliate) are the sole registrant of the Internet domain name www.EverLineCoatings.com, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

You also agree and acknowledge that you will access and utilize any System Site we establish for use in connection with the System, including without limitation, to publish and circulate updates to the System Manual(s).

ITEM 12

TERRITORY

Premises and Relocation

Our standard franchise offering assumes and expects that you will directly manage and operate your Franchised Business and provide the Franchise Services from your Premises, which we will designate as your approved Premises at the same time you enter into your Franchise Agreement with us.

Should you determine to propose a relocation of your Premises to a new space, then (a) you must send us prior written notice of your proposed relocation, and (b) afford us a period of 30 days to review your proposal and accept/reject the same. We will not unreasonably withhold the kind of relocation request set forth herein, provided the proposed relocation is within your Designated Territory and the location (and, if appropriate, lessor) have satisfied our then-current criteria for an approved Premises.

If you are awarded the right to operate your Franchised Business within multiple Designated Territories pursuant to the form of Multi-Territory Addendum, then we expect that the Franchised Business will still be operated from your home office or other existing Premises, provided you are otherwise able to operate in compliance with the terms of the Franchise Agreement and this Addendum.

You will not be permitted to relocate your Franchised Business without our prior written approval, which we do not expect to unreasonably withhold. We do charge a relocation fee of one thousand dollars ($1,000), and we may ask for reimbursement should you request we conduct a site visit to the proposed premises and/or one (1) of your Designated Territory(ies) generally. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

Designated Territory(ies) under Franchise Agreement and, if Applicable, the Multi-Territory Addendum

As of the Issuance Date, our standard franchise offering assumes and expects that a typical Designated Territory will be comprised of a geographical area containing a population of approximately 350,000

people. Your Designated Territory(ies) will be designated by us in: (a) the Data Sheet to your Franchise Agreement; and (b) if you are authorized to operate in multiple territories, then your form of Multi-Territory Addendum. We may determine to award a Designated Territory that has a lower or higher population if we determine appropriate based on the demographics of the area/region at issue, and your Designated Territory(ies) may vary in size, shape and other characteristics from the territory(ies) that are awarded to other System franchisees.

We may use territory mapping software we determine or license or otherwise use or will use publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

We will not open and operate a Franchised Business, or license any third party the right to own and operate a Franchised Business, that provides the Approved Services or Approved Products under the Proprietary Marks and utilizing the System, within any Designated Territory that is awarded to you for so long as your right to operate within that Designated Territory has not been terminated or expired.

With that said, we reserve certain rights for us and our affiliates, as disclosed more fully below in this Item. Amongst these reserved rights is the right to solicit and service Client accounts if that Client has potential properties and/or Client Projects that span across multiple states, regions or territories (each, a "Reserved Account"). For this reason, whether you purchase one Designated Territory under the Franchise Agreement or multiple Designated Territories under the Franchise Agreement and the Multi-Territory Addendum, please note the following required disclosure:

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Your territorial rights within a given Designated Territory will end upon the termination or expiration of your (a) Franchise Agreement, or (b) right to operate within that Designated Territory.

Except as provided in this Item, we do not have any right to modify your Designated Territory once it has been awarded except by way of written agreement signed by both you and us.

Minimum Performance Standards

We do not have minimum performance requirements that you must satisfy in order to maintain the territorial rights within your Designated Territory(ies). Please note that you will be required to ensure payment of your Minimum Royalty each payment interval, and that your failure to pay such Minimum Royalty fees will be grounds for us to terminate your Franchise Agreement and all rights within your Designated Territory(ies).

Rights Within and Outside the Designated Territory

Under the terms of your Franchise Agreement, you may and must actively promote, offer and provide the Approved Services within the Designated Territory(ies) you are awarded under your Franchise Agreement and, if applicable, each Addendum.

In the event you are otherwise operating your Franchised Business in accordance with the terms of your Franchise Agreement and our then-current Manuals, you may request the right to solicit clientele and/or service a prospective or existing client that is located in a geographic region that is (a) in close proximity to the perimeter of your Designated Territory(ies), and (b) not awarded as part of any other System Business that is operating or otherwise under development (a "Potential Service Area"). We will have the right to

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approve or deny any such System franchisee request, as we determine appropriate in our discretion, based on that System franchisee's history of operations. Please note that we will not approve any request by a System franchisee to provide Approved Services outside in a given Potential Service Area if the Gross Sales generated by the contemplated Client Project and any prior Client Projects provided outside the Designated Territory in the past 12 months of operation, in the cumulative, make up more than 10% of the total Gross Sales of the Franchised Business – unless and until the System franchisee at issue determines to acquire the Potential Service Area(s) wherein those Gross Sales were generated.

You may not market your Franchised Business or solicit outside your Designated Territory(ies), unless we agree otherwise with regards to certain types of digital marketing or otherwise in the Manuals or other writing. You may not market your Franchised Business or solicit outside your Designated Territory(ies) through other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales.

Limitations on Rights Under Franchise Agreement and Addendum

Your rights under the Franchise Agreement and/Multi-Territory Addendum do not include: (i) any right to offer any Approved Product or Approved Services via e-commerce; (ii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; (iii) any right to sell Approved Products via wholesale; (iv) any right to otherwise distribute, market, or implement our products and services in any channel of distribution not specifically identified in this Agreement; (v) the right to sub-license the franchise (or franchise development) rights you are awarded in any manner; or (vi) the right to sell any portion or all of a given Designated Territory you are awarded independent of your entire Franchised Business to another person or franchisee without our written permission.

Reserved Accounts

Notwithstanding the above, under contracts with companies that have locations in more than one territory (each, a "Reserved Account"), we have the right, by ourselves or through or our designee (which may be any other Business that we authorize), to offer, sell, and perform the Approved Services at Client Properties under such Reserved Accounts to Client Properties located both within and outside of your Designated Territory(ies). If we allow you to perform the Approved Services for a Reserved Account, you must abide by the terms and conditions we require, including pricing and payment terms, when performing the Approved Services.

Any Approved Services that you perform for a Reserved Account are subject to different pricing, payment and other terms (including any sales commission to be payable by you to us, or any employee or agent who procured the Reserved Account). Except as permitted by us, you may not enter into any direct or indirect relationship with a Reserved Account. You must comply with all rules and regulations that we may issue in the Manual from time to time for Reserved Accounts.

Other Reserved Rights under Franchise Agreement (and any Multi-Territory Addendum)

We and our parent/affiliate also reserve the exclusive right to conduct the following activities under the Franchise Agreement and, if applicable, Multi-Territory Addendum: (i) establish and operate, and license any third party the right to establish and operate, other Businesses and Franchised Businesses using the Marks and System at any location outside of your Designated Territory(ies); (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory(ies); (iii) use the Marks and System, as well as other such marks we designate, to distribute any Approved Products

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and/or Services in any alternative channel of distribution, within or outside the Designated Territory(ies) (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.), as further described below; (iv) to (a) acquire, merge with, be acquired by, or otherwise affiliate with, any other company, and (b) have us or any successor/acquiring entity own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside your Designated Territory(ies); (v) market, offer and provide the Approved Services directly to personnel in their respective residence, office or other location of choice and not from a Business location, anywhere inside or outside of the Designated Territory(ies); (vi) own and operate Businesses in "Non-Traditional Locations" including, but not limited to, airports, malls, any captive venue that requires a ticket or other membership to access, military bases, academic institutions, hospitals, commercial and/or corporate parks, high-rise and/or other larger, multi-unit buildings, home improvement retailers (i.e., Home Depot® and Lowes®) and any other captive venue, both within or outside your Designated Territory(ies); and (vii) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, if applicable, Multi-Territory Addendum.

Neither the Franchise Agreement nor Multi-Territory Addendum grant you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our parent/affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Designated Territory(ies).

Additional Relevant Disclosures

Neither the Franchise Agreement nor the Multi-Territory Addendum provides you with any right or option to open and operate additional Franchised Business or any additional territory rights (other than the Designated Territory(ies) specifically awarded in those agreements with us). While a single Franchised Business may acquire the right to actively solicit and operate in multiple, contiguous Designated Territories under a single Franchise Agreement, each Franchised Business you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, nor do we presently intend to establish, other franchised or company-owned businesses that are similar to the Franchised Business and that provide the Approved Services and/or Approved Products under a different trade name or trademark, but we and our affiliate(s) reserve the right to do so in the future without your consent.

ITEM 13

TRADEMARKS

We grant you a limited, non-exclusive license to use our then-current Proprietary Marks in connection with the operation of your Franchised Business only at your Premises and within your Designated Territory(ies), provided you use these Proprietary Marks as outlined in your Franchise Agreement(s) and our Manuals. You do not obtain any additional rights to use any of our Proprietary Marks under any Multi-Territory Addendum we determine to enter with you. Our affiliate, TM Owner, has filed the following Proprietary Marks on the Principal Register of the USPTO:

Mark	Serial Number/	Application Date/

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	Registration Number	Registration Date
EverLine	Registration No. 6672929	Registered: March 15, 2022
	Registration No. 6708255	Registered: April 19, 2022
EverFloor	Serial No. 97577398	Filed: September 2, 2022
CORE QUALITY SYSTEM	Serial No. 97494612	Filed: July 8, 2022

We have worked with, and will continue to work with, the TM Owner to file all required affidavits and other documents with the USPTO to maintain the federal registrations described above. No renewals have been filed with the USPTO because the trademark registrations are all less than ten (10) years old.

We are licensed to use, as well as sublicense our System franchisees the right to use, the Proprietary Marks pursuant to a form of trademark license agreement we have with the TM Owner. We have a perpetual, royalty-free license to use such Proprietary Marks under this agreement, which has a perpetual term unless and until terminated by either party. In the event the agreement terminates, the parties have agreed to work in good faith together to ensure that System franchisees continue to have the right to use the then-current Proprietary Marks we designate in connection with their respective Franchised Businesses. Other than this agreement, we are not aware of any other agreement that might materially affect your use of the Proprietary Marks in connection with a Franchised Business.

We and TM Owner reserve the right in its sole discretion to cease use of any trademark. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending infringement, opposition, or cancellation proceedings involving the Proprietary Marks. There is no pending material federal or state court litigation regarding our use or ownership rights in any of the Proprietary Marks. To our knowledge, there are no infringing uses that could materially affect your use or our ownership rights in the Proprietary Marks or our rights in the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our affiliate's ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlements. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement.

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We reserve the right, at our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks for use in identifying the System and the businesses operating under these marks. You must comply with any changes, revisions and/or substitutions at your sole cost and expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use any item covered by a patent or copyright, but you can use the proprietary information in the Manual. The Manuals are described in Item 11. Item 11 also describes the limitations on the use of the Manual by you and your employees.

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, software source code and other Confidential Information as defined below.

To our knowledge, there currently are no effective determinations of the U.S. Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

We may revise our System and any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

In general, our proprietary information includes "Confidential Information" as defined in our current Franchise Agreement, some of which is contained in our Manual, and includes, among other things, all information (current and future) relating to the operation of the Business or the System, including, among other things, all: (i) manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of the Business; (ii) designs, specifications and information about products and services and (iii) all information regarding members and suppliers, including any statistical and/or financial information and all lists. We disclose to you Confidential Information needed for the operation of a Franchised Business, and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of your Franchise Agreement, you must (i) use the Confidential Information only for the operation of your Business under a Franchise Agreement with us; (ii) maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (iii) follow all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information.

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Franchised Business that you or your employees/personnel conceive or develop.

You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the franchise business that are conceived or developed by you and/or your employees/personnel. We will have a perpetual right to use, and to authorize others to use, those ideas, etc. without compensation or

other obligation.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

While we recommend that you personally participate and manage the day-to-day operations of your Franchised Business, you may hire a Designated Manager to manage daily operations with our approval. Both you and your Designated Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). If you engage a Designated Manager to manage the day-to-day operations of the Franchised Business, they are not required to own equity in the Franchised Business.

We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has completed our Initial Training Program and otherwise demonstrated that he/she a good handle on our System standards and specifications for daily operations of a Business. If the franchisee is a business entity, we do not require the Designated Manager to own an interest in the entity, but the Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement.

Your Franchised Business must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our entire Initial Training Program, including any on-site training and instruction provided within your Designated Territory(ies) or at your Premises. In the event that you operate more than one Franchised Business, we may require that you have a properly trained Designated Manager to manage the operations of each Business (and corresponding Designated Territory) you have developed. You must keep us informed at all times of the identity of any personnel acting as Designated Manager and obtain our approval before substituting a new Designated Manager at any of your locations.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel, including personnel or subcontractors that must be independently licensed to perform certain of the Approved Services in connection with a given Client Project. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between (a) you and/or your personnel, and (b) us.

If you are an individual, then your spouse will also be required to sign the Franchise Agreement or, in the alternative, the form of Personal Guaranty attached to the Franchise Agreement as an Exhibit (the "Guaranty"). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners (the "Owners"), as applicable, must sign the Guaranty, and (b) at our option, the spouses of each such Owner must sign the Guaranty.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must (1) sell or offer for sale only those products, merchandise, and services as we have expressly approved for sale in writing, (2) sell or offer for sale all types of products, merchandise, and services we specify, (3) refrain from any deviation from our standards and specifications without our prior written consent, and (4) discontinue selling and offering for sale any products, merchandise, and services which we may, in our discretion, disapprove in writing at any time. You must only offer and sell the Approved Products at retail, and you are not permitted to sell such Approved Products (including all retail

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merchandise) at wholesale or for re-sale of any other kind. All Approved Products, including inventory used in connection with the Approved Services, that are sold or offered for sale at the Business must meet our then-current standards and specifications, as established in the Manuals or otherwise in writing. See Item 8.

Any painting and striping services or other Approved Services or Approved Products that have an installation method, that requires any kind of contractor's license or other license/permitting/approval from a third-party agency in order for an individual to provide such services under the laws of the state where the Franchised Business is located must be provided by your personnel that have such appropriate licensing/permitting/approval(s). Our standard franchise offering expects and assumes that any Subcontractors or other personnel you engage or hire will have the appropriate state and/or other licensing, insurance, and certifications to provide the Approved Services for which they have been engaged or hired.

The Franchise Agreement does not limit our right to make changes in the types of authorized products, merchandise, and services. We have the right to specify the prices for the products and services you offer and sell, and to establish minimum and maximum prices for such products and services. You must strictly adhere to the lawful prices we establish, subject to applicable law. We retain the right to modify the prices from time-to-time in our reasonable discretion. You must comply with all of our policies regarding advertising and promotion, including the use and acceptance of coupons, gift cards or incentive programs. We do not limit your access to customers in that customers may patronize your Business even if they are not located within your Designated Territory(ies), provided you comply with your advertising and solicitation obligations under your Franchise Agreement.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

A. Franchise Agreement

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the Franchise Term	Section 3	10 years from the signing of Franchise Agreement.
b. Renewal or Extension of the Term	Section 3	If Franchisee satisfies all of the requirements of the Franchise Agreement, Franchisee will have an option to renew the franchise relationship for two (2), consecutive 10-year periods.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
c. Requirements for Franchisee to Renew or Extend	Section 3	Give timely notice; complete to Franchisor's satisfaction all maintenance, refurnishing, renovating and remodeling that Franchisor requires of the premises of the Franchise Business; not be in default of the Franchise Agreement or any other agreement and have complied with the standards and operating procedures prescribed by Franchisor; satisfy all monetary obligations owed to Franchisor or its affiliate; execution of the then-current form of franchise agreement, which may contain materially different terms and conditions than your original contract; pay to Franchisor the renewal fee; sign a release subject to state law; and remain in possession of the premises of the Franchised Business.
d. Termination by Franchisee	Not Applicable	Franchisee may terminate under any grounds permitted by law.
e. Termination by Franchisor Without Cause	Not Applicable	Not Applicable.
f. Termination by Franchisor With Cause	Section 15	We have the right to terminate with cause.
g. "Cause" Defined – Curable Defaults	Section 15I	Curable defaults include: Franchisees failure to pay Franchisor amounts owed when due (10 days to cure); Franchisee fails to perform any of its obligations under the Franchise Agreement or any other Agreement between Franchisee and Franchisor or its Affiliates; Franchisee fails to furnish reports, financial statements, tax returns, or any other documentation required by the Franchise Agreement; or Franchisee engages in any conduct or practice which, in the reasonable opinion of the Franchisor, reflects unfavorably upon or is detrimental to the Marks, to the good name, goodwill or reputation of the Franchisor.
h. "Cause" Defined – Non-Curable Defaults	Section 15(A) and Section 15(B)	Non-curable defaults include: material misrepresentation on Franchisee's application for the Franchise Agreement; understatement of Gross Sales; Franchisee loses the right to possession of the Premises or the Lease; if a guarantor or the manager fails to satisfactorily complete the initial training program; unauthorized transfers by Franchisee; Franchisee receives 3 or more notices of default in any consecutive 12 month period; Franchisee is adjudicated as bankrupt, insolvent, or commits any affirmative act of insolvency, or files any action or petition for insolvency; if the Franchisee ceases or takes any steps to cease the operation of the Franchised Business; or if the Franchisee or Franchisee's principal does not timely cure a default within the applicable cure period under a different franchise agreement or other agreement with Franchisor (including the Multi-Territory Addendum) or such an agreement becomes subject to termination or is terminated.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
i. Franchisee's Obligations on Termination/Non-Renewal	Section 16	Obligations include: cease operations of the Business; de-identification; payment of amounts due to Franchisor and its affiliates; return the Manuals and all other confidential information or items imprinted with any of the Marks; sell to Franchisor products, furnishings, equipment, signs, fixtures, stationery, forms, packaging, and advertising materials at Franchisor's option; modify the interior and exterior of the Premises of the Business; if termination is a result of Franchisee's default Franchisee must pay to the Franchisor all costs and expenses incurred as a result of that default; compliance with post-termination non-competition agreement; transfer all telephone and facsimile numbers, all listings and email addresses and social media accounts; and others.
j. Assignment of Contract by Franchisor	Section 13	The Franchisor may assign any or all of its rights arising from the Franchise Agreement, provided that the assignee agrees in writing to assume all obligations undertaken by the Franchisor.
k. "Transfer" by Franchisee – Defined	Sections 13(A) and 13(C)	Franchisee shall not sell, assign, transfer, mortgage, charge, grant a security interest in or otherwise encumber any of the Franchisee's right and interest hereunder or in any assets of the Franchised Business, nor shall any of the guarantors transfer any of their shares in the capital of the Franchisee nor shall the Franchisee amalgamate, merge, reorganize, or engage in any similar proceeding, without in each case obtaining the prior written approval of the Franchisor.
l. Franchisor Approval of Transfer by Franchisee	Section 13(A)	All transfers require our prior written consent, which will not be unreasonably withheld, and we have a right of first refusal to acquire any proposed transfer of interest.
m. Conditions for Franchisor Approval of Transfer	Section 13I	Conditions of approval include: submit a copy of the offer relating to the Transfer, information relating to the character and business background of the proposed transfer; Franchisee's monetary and other obligations have been satisfied; Franchisee is not in default of any provision of any agreement with Franchisor or its affiliates; transferor signs a general release; transferee enters into a written assignment and guaranty, if applicable; transferee meets our qualifications; transferee signs our then-current form of franchise agreement; transferee completes all required training programs; Franchisee pays a transfer fee to Franchisor; Transfer is in compliance with applicable bulk sales legislation; and others.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Section 13(D)	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 30 days to match any third-party *bona fide* offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's Option to Purchase Franchisee's Business	16(G)	Upon termination or expiration of the Franchise Agreement, Franchisor has the option, but not the obligation, to purchase Franchisor's equipment and furnishings, inventory and supplies owned and used by the Franchisee in connection with the operation of the Franchised Business at a price equal to the lesser of the book value and the fair market value of the property in question; Franchisor also has the option to have Franchisee assign its lease to Franchisor.
p. Death or Disability of Franchisee	Section 13(B)	Upon the death or mental incapacity of any person holding any interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Business, an approved transfer must occur within six months.
q. Non-Competition Covenants During the Term of the Franchise	Section 14(A)	During the term of the Franchise Agreement, Franchisee, nor any officer, director, executive, manager, or member of the professional staff, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person: (i) divert or attempt to divert any business or customer of the Business to any competing business (as defined in the Franchise Agreement), by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or (ii) own an interest in, manage, operate, or perform services for any Competing Business (as defined in the Franchise Agreement) from any location.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
r. Non-Competition Covenants After the Franchise Is Terminated or Expires	Section 14(B)(1) Section 14(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising, or establishing of joint ventures for the operation, of any Competing Business. For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with a Competing Business: (i) at the Premises or within your Designated Territory; (ii) within a 25- mile radius of your Designated Territory; or (iii) within a 25-mile radius of any other designated territory franchised or licensed by us in connection with a Business as of the date of expiration/termination of your Franchise Agreement. During this two-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; or (ii) contacting any of our suppliers/vendors for a competitive business purpose.
s. Modification of the Agreement	Section 18(D)	All amendments, changes, or variances from the Franchise Agreement must be in writing.
t. Integration / Merger Clause	Sections 18 and 22	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.
u. Dispute Resolution by Mediation or Arbitration	Section 21(B) Section 21I	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place, at our option, in (a) Houston, TX, or (b) our then-current corporate headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated or arbitrated, the parties will split the fees and bear all of their other respective costs of the mediation/arbitration. (subject to applicable state law)

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
v. Choice of Forum	Section 21(D) and 21I	Subject to the other dispute resolution provisions set forth in the Franchise Agreement and disclosed above in this Item, all claims and causes of action arising out of the Franchise Agreement must be brought in the state or, if appropriate, federal court of general jurisdiction that is closest to (a) Harris County, Texas or, if appropriate the United States District Court for the Southern District of Texas, or the (b) city and state where we have notified you in writing we have established our then-current corporate headquarters. (subject to applicable state law)
w. Choice of Law	Section 21(A)	The Franchise Agreement is governed by the laws of the state of Texas without reference to this state's conflict of laws principles (subject to applicable state law).

B. Multi-Territory Addendum

Provision	Section in Addendum	Summary
a. Term of the Franchise	Not Applicable	Consistent with the term of the Franchise Agreement.
b. Renewal or extension of the term	Not Applicable	Consistent with term of the Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 8	~~Same requirements as set forth in~~The Multi-Territory Addendum is not renewed on its own. It is "renewed" when the Franchise Agreement~~, as well as payment of~~ that was executed with is renewed. The Multi-Territory Addendum amends the ~~appropriate~~ Renewal Fee ~~for~~under the Franchise Agreement to correspond with the number of Designated or Additional Territories awarded under the Addendum (currently, $10,000 per Designated Territory).
d. Termination by franchisee	Not Applicable	~~Not Applicable~~Franchisee may terminate the Franchise Agreement, including the Multi-Territory Addendum, under any grounds permitted by law.
e. Termination by franchisor without cause	Section 9	Default under terms of Addendum constitutes default under Franchise Agreement with same cure terms.
f. Termination by franchisor with "cause"	Section 9	Default under terms of Addendum constitutes default under Franchise Agreement with same cure terms.
g. "Cause" defined – curable defaults	Section 9	Failure to comply with any additional term set forth in the Addendum.

Provision	Section in Addendum	Summary
h. "Cause" defined – defaults which cannot be cured	Not Applicable	Same as Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	Not Applicable	Same as Franchise Agreement.
j. Assignment of contract by franchisor	Section 10	We have the right to assign our rights under the Addendum.
k. "Transfer" by franchisee – defined	Not Applicable	Same as Franchise Agreement
l. Franchisor approval of transfer by franchisee	Section 10	You may not transfer any rights or obligations under the Addendum or Franchise Agreement without our consent.
m. Conditions for franchisor approval of transfer	Not Applicable	Same as Franchise Agreement
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement.
r. Non- competition covenants after the franchise is terminated or expires	Not Applicable	Same as Franchise Agreement
s. Modification of the agreement	Not Applicable	Same terms as Franchise Agreement.
t. Integration/merger clause	Section ~~14~~15	Only the terms of the Multi-Territory Addendum and the Franchise Agreement governing the Franchised Business are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Addendum may not be enforceable. Nothing in the Addendum or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. (subject to applicable state ~~laws~~law)
u. Dispute resolution by arbitration or mediation	Section 13	Same terms as Franchise Agreement. (subject to applicable state ~~laws~~law)
v. Choice of forum	Section 13	Same terms as Franchise Agreement. (subject to applicable state ~~laws~~law)
w. Choice of law	Section 12	Same terms as Franchise Agreement. (subject to applicable state ~~laws~~law)

ITEM 18

PUBLIC FIGURES

We do not presently use any public figures to promote, endorse, or recommend our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

BACKGROUND

Canadian Businesses

This Item 19 discloses the historical financial performance of certain EverLine Coatings and Services Businesses operating under the Proprietary Marks and utilizing the System within one (1) or more Designated Territory(ies) within Canada as of December 31, 2023 (each, a "CN Business"). As of December 31, 2023, there were a total of twenty-two (22) CN Businesses operating in Canada, namely: (i) the one (1) CN Business owned and operated by an affiliate of us and our Affiliate Franchisor (the "Affiliate Business"); and (ii) twenty-one (21) franchised CN Businesses that are independently owned and operated by System franchisees that have entered into a franchise agreement with our Affiliate Franchisor. Twelve (12) of the CN Businesses were (i) open and operating throughout the entire 2023 Calendar Year (ii) on a full-time basis (the "2023 Disclosed CN Businesses"). Whenever the term "Calendar Year" appears in this Item 19, it means January 1 through December 31 of the applicable year. The 2023 Disclosed CN Businesses do not include (a) four (4) CN Businesses that opened during the 2023 Calendar Year; and (b) five (5) CN Businesses that were open for the entire 2023 Calendar Year but individually operated on a part-time basis as a side business (as part of other service-based operations). Contact information for the CN Businesses will be made available upon request.

United States Businesses

This Item 19 also discloses the historical financial performance of certain EverLine Coatings and Services Businesses operating under the Proprietary Marks and utilizing the System within one (1) or more Designated Territory(ies) within the United States, pursuant to a franchise agreement with us and similar to the franchise offered under this Disclosure Document as of December 31, 2023 (each, a "US Business"). As of December 31, 2023, there were fifty-five (55) US Businesses operating in the United States. As of December 31, 2022, there were twenty (20) US Businesses operating in the United States. During the 2023 Calendar Year: (a) one (1) US Business closed, (b) one (1) US Business was operated together with another US Business by the same franchisee, (c) two (2) US Businesses were operated on a part-time basis, and (d) one (1) US Business did not operate for the entire 2023 Calendar Year due to licensing issues. We have excluded these five (5) US Businesses from this Item 19 because the circumstances described are not typical

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of our US Businesses. The remaining fifteen (15) US Businesses were open as of December 31, 2022 and operated on a full-time basis for the entire 2023 Calendar Year (the "2023 Disclosed US Businesses"). We have excluded the remaining US Businesses from this Item 19 because all of them opened during the 2023 Calendar Year and, therefore, had been open for less than a year as of December 31, 2023. Contact information for the US Businesses may be found in Item 20 and Exhibit E to this Disclosure Document.

Currency Exchange Rates and Conversion

The "Gross Sales" for the US Businesses in this Item 19 are in United States Dollars. Whenever "Gross Sales" for the CN Businesses are disclosed in this Item 19, they have been converted to United States Dollars from Canadian Dollars. In Section I of this Item 19, all amounts have been converted to United States Dollars from Canadian Dollars, including the Gross Sales, Cost of Goods Sold, Gross Profit, Disclosed Expenses, and Gross Sales Less Disclosed Expenses. However, please be advised that~~: (i)~~ the Affiliate Business and other CN Business owners reported their Gross Sales information in Canadian Dollars given that their operations (and our Affiliate Franchisor) are located in Canada. The exchange rates below are taken from https://www.exchangerates.org.uk.

2021 Exchange Rate: Except as shown in Section XIII, the Gross Sales data for the 2021 Calendar Year included in this Item 19 was converted from Canadian Dollars to U.S. Dollars with the historical exchange rate of **$1 CAD = $0.781576** as of December 31, 2021.

2022 Exchange Rate: During the 2022 Calendar Year, the exchange rate between Canadian Dollars and U.S. Dollars ranged from $1 CAD = $0.7203 USD (low-end) to $1 CAD = $0.8016 USD (high-end). Except as shown in Section XIII, the Gross Sales data for the 2022 Calendar Year included in this Item 19 was converted from Canadian Dollars to U.S. Dollars with the average historical exchange rate during the 2022 Calendar Year, which was **$1 CAD = $0.7688 USD**.

2023 Exchange Rate: During the 2023 Calendar Year, the exchange rate between Canadian Dollars and U.S. Dollars ranged from $1 CAD = $0.7204 USD (low-end) to $1 CAD = $0.7628 USD (high-end). The Gross Sales data for the 2023 Calendar Year included in this Item 19 was converted from Canadian Dollars to U.S. Dollars with the average historical exchange rate during the 2023 Calendar Year, which was **$1 CAD = $0.7408 USD**.

As of the Amended Issuance Date of this Disclosure Document, the exchange rate is **$1 CAD = ~~$..7317~~$.7391 USD**.

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SECTION I
GROSS SALES GENERATED, AS WELL AS COGS, LABOR AND CERTAIN DISCLOSED EXPENSES INCURRED, BY OUR AFFILIATE BUSINESS OVER EACH OF THE 2021, 2022 AND 2023 CALENDAR YEARS

The table below discloses the profit and loss information generated by our Affiliate Business over each of the 2021, 2022 and 2023 Calendar Years, as reported to us by the Affiliate Business and as adjusted as described in the notes below.

	2021 CALENDAR YEAR	% of Gross Sales	2022 CALENDAR YEAR	% of Gross Sales	2023 CALENDAR YEAR	% of Gross Sales
GROSS SALES[1]	$1,544,129	**100%**	$2,134,743	**100%**	$2,215,766	**100%**
COST OF GOODS SOLD[2] *(Reported Purchases + Direct Labor Costs Reported)*	$690,633	44.7%	$1,046,546	49.0%	$1,164,355	52.5%
GROSS PROFIT[3] (Gross Sales less Cost of Goods Sold)	$853,497	**55.3%**	$1,088,197	**51.0%**	$1,051,412	**47.5%**
DISCLOSED EXPENSES[4]						
Estimated Royalties[5]	$92,484	6.0%	$128,085	6.0%	$132,946	6.0%
Estimated Brand Fund[6]	$30,828	2.0%	$42,695	2.0%	$44,315	2.0%
Advertising & Promotion[7]	$30,156	2.0%	$23,182	1.1%	$26,177	1.2%
Licenses & Memberships[8]	$283	0.0%	$360	0.0%	$475	0.0%
Insurance[9]	$28,520	1.8%	$21,933	1.0%	$23,197	1.0%
Bank Charges[10]	$1,994	0.1%	$3,044	0.1%	$512	0.0%
Office Supplies & Computer Software[11]	$22,275	1.4%	$21,044	1.0%	$22,035	1.0%
Storage Rent[12]	$28,137	1.8%	$33,212	1.6%	$33,780	1.5%
Safety (PPE)[13]	$11,174	0.7%	$17,799	0.8%	$10,364	0.5%
Professional Fees[14]	$10,880	0.7%	$6,942	0.3%	$1,645	0.1%
Utilities[15]	$12,887	0.8%	$13,788	0.6%	$22,432	1.0%
Vehicle[16]	$49,215	3.2%	$69,253	3.2%	$35,409	1.6%
Total of Disclosed Expenses	$318,833	20.6%	$381,337	17.9%	$353,287	15.9%
GROSS SALES LESS COGS AND DISCLOSED EXPENSES	**$534,664**	**34.6%**	**$706,860**	**33.1%**	**$698,124**	**31.5%**

Explanatory Notes to Table No. 1

Our Affiliate Business launched operations in Canada in 2012. As of December 31, 2023, the Affiliate Business operated within a geographical area containing approximately 1,377,925 people according to the territory mapping software that our Affiliate Franchisor utilizes in connection with the administration of its franchise system.

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1. *Gross Sales.* The term "Gross Sales" has the same general meaning as in the Franchise Agreement, which is defined in the Franchise Agreement as follows: all revenue generated from the sale and provision of any and all Approved Services at or through your Franchised Business, and all proceeds from any business interruption insurance related to the non-operation of your Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. See the above note about the three (3) exchange rates used to adjust the 2021, 2022 and 2023 amounts in this Table from the Canadian Dollar amounts they were reported in. We received government subsidies in 2022 and 2023 of CAD $104,538 and CAD $42,000, respectively, for hiring young employees, which we have removed from Gross Sales in this chart because we do not expect our U.S. franchisees to receive that same subsidy, which came from the Canadian government.

2. *Cost of Goods or COGS.* The term "Costs of Goods Sold" or "COGS" is calculated by taking the sum of the amounts that the reporting owner of the Affiliate Business has reported to us as being incurred in connection with (a) certain product/material purchases (the "Purchases"), and (b) compensating direct labor that provides the Approved Services (the "Direct Labor"), over the measurement period at issue (and as detailed more fully in the subparts below).

    a. "Purchases" includes all products utilized in running a line painting and pavement maintenance business. This includes materials such as traffic paint, asphalt sealant, crack filling tar, shop supplies, equipment rentals, operational fuel, equipment rental, equipment maintenance, small tools and other accessories. We adjusted this figure in 2022 by removing CAD $17,550 in shipping expenses that were incurred due to extraordinary circumstances involving paint shortages. We adjusted this figure in 2023 by removing the following: Shrinkage (CAD $7,967), Royalty (CAD $1,386), and Equipment Rental (CAD $44,717). We also adjusted this figure in 2023 by removing CAD $45,898 that was spent on extraordinary repairs and asset purchases, which were classified as expenses of our Affiliate. We adjusted this figure in 2021 by removing CAD $16,515 in shop supplies. We anticipate that our franchisees will not incur the expenses we removed in the normal course of operating their Franchised Businesses.

    b. "Direct Labor" is all direct labor costs including direct payroll, subcontractors, unemployment insurance and payroll taxes for employee technicians providing line painting and pavement maintenance services. While "Direct Labor" does include costs for direct supervisors (such as crew foreman), it does not include wages allocated to the management staff. "Direct Labor" does not include expenses for Selling, General & Administrative Labor ("SG&A Labor"). In 2021, we excluded CAD $393,295 of SG&A Labor. In 2022, we excluded CAD $406,171.16 of SG&A Labor. In 2023, we excluded CAD $507,729.58 of SG&A Labor. Please also note that "Direct Labor" also does not include or account for any benefits to Business personnel. This amount was also reduced in 2023 by CAD $20,494, which was allocated to winter shop work meant to be performed by a maintainer role, which is typically under Selling, General & Administrative Labor.

3. *Gross Profit (Gross Sales Less COGS).* The term "Gross Profit" for the Affiliate Business is calculated by taking (a) the Gross Sales reported by that Business over the measurement period, and (b) subtracting the COGS reported by the Affiliate Business over that same measurement period.

4. *Disclosed Expenses*. The term "Disclosed Expenses" refers to the specific operating costs and expenses incurred in connection with the Affiliate Business operations over the Measurement Period and accounted for in Table No. 1 above, namely: estimated Royalty Fees, estimated Fund Contributions, advertising and promotion, licenses & memberships, insurance, bank charges, office supplies & computer software, safety (PPE), professional fees, storage rent, utilities and vehicle expenses. It does

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not include any other operating costs or expenses that might have been incurred over the Measurement Period.

5. *Estimated Royalties.* The term "Estimated Royalties" is an estimate that is calculated by taking: (i) the Gross Sales generated by the Affiliate Business over the applicable Measurement Period above and (ii) multiplying that figure by 6% (0.06) to account for the Royalty Fee(s) that a new System franchisee must pay to Franchisor under our current form of Franchise Agreement attached to this Disclosure Document.

6. *Estimated Brand Fund Contribution.* The term "Estimated Brand Fund Contribution" is an estimate that is calculating by taking: (i) the Gross Sales generated by the Affiliate Business over the applicable Measurement Period above and (ii) multiplying that figure by 2% (0.02) to account for the current Fund Contribution that we actually impose as of the Issuance Date under our current form of Franchise Agreement attached to this Disclosure Document.

7. *Advertising and Promotion.* The term "Advertising and Promotion" means the amount spent on advertising and marketing activities within the Affiliate Business's operational territory(ies). We adjusted this figure in 2023 to remove various optional sponsorships and client gifts in the amount of CAD $8,910.22. We adjusted this figure in 2021 to remove expenses for video production, event sponsorship, trade show participation, and Christmas gifts in the total amount of CAD $6,425. We anticipate our franchisees will not incur these expenses in the normal course of operating their Franchised Business.

8. *Licenses and Memberships.* The term "Licenses & Memberships" means the amount spent on maintaining required licenses and permits in order to operate their line painting and pavement maintenance business through the relevant measurement period. We adjusted this figure in 2021 to remove Better Business Bureau fees of CAD $575 and a fine of CAD $790. We anticipate our franchisees will not incur these expenses in the normal course of operating their Franchised Business.

9. *Insurance.* The term "Insurance" means the amount spent on insurance coverage policies required under this Disclosure Document. We adjusted this figure in 2023 to remove personal insurance costs of the Affiliate's executives in the amount of CAD $4,968. We anticipate our franchisees will not incur these expenses in the normal course of operating their Franchised Business.

10. *Bank Charges.* The term "Bank Charges" means customary fees associated with maintaining a local banking relationship. This figure does not include interest on loans. We adjusted this figure in 2021 to remove CAD $2,429 related to credit card collections, transfers, fines, and certain application fees. We anticipate our franchisees will not incur these expenses in the normal course of operating their Franchised Business.

11. *Office Supplies and Computer Software.* The term "Office Supplies & Computer Software" means expenses related to running an office. It includes expenses such as computer hardware, software, cell phones, internet, office supplies, and waste disposal expenses. We adjusted this figure in 2022 to remove Bad Debt (CAD $3,391.85), Janitorial/Coffee Expenses (CAD $7,417), Meals and Entertainment (CAD $13,172.56), Staff Promotions (CAD $10,442.10), Software included with Royalties (CAD $4,500), and Staff Benefits (CAD $37,917). We adjusted this figure in 2023 to remove Charitable Donations (CAD $6,082), Meals and Entertainment (CAD $18,382.64), Staff Benefits (CAD $45,592.09), Staff Promotions (CAD $13,148.01), Computer Hardware (CAD $2,059.84), Software included in Royalties (CAD $4,500), and Janitorial/Coffee/Snacks Expenses (CAD $12,330.84). We adjusted this figure in 2021 to remove CAD $31,692 related to general administrative

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expenses and Airtable software costs. We anticipate that our franchisees will not incur the expenses we removed in the normal course of operating their Franchised Businesses.

12. *Safety (PPE).* The term "Safety (PPE)" means expenses related to ensuring the safety of crews and office staff. It includes related courses, safety program compliance and PPE (personal protective equipment) for staff. We adjusted this expense in 2021 to remove CAD $4,465 related to COVID Filters, related branded materials, and safety association fees. We adjusted this expense in 2022 to remove Optional/Promotional Items (CAD $5,728.91), Alberta-specific COR Audit (CAD $4,208), and AASP (CAD $775). We adjusted this figure in 2023 to remove Safety Courses & Compliance Programs (CAD $15,181.90) and Promotional Gear and Safety Boots for Staff (CAD $5,509.26). We anticipate that our franchisees will not incur the expenses we removed in the normal course of operating their Franchised Businesses.

13. *Professional Fees.* The term "Professional Fees" involve the costs associated with accountants, bookkeepers and third party human resource professionals to assist with hiring. We adjusted this figure in 2021 to remove CAD $36,750 that was paid to an in-house part-time accountant because we do not expect our franchisees to hire an in-house accountant in the normal course of operating their Franchised Business. We adjusted this figure in 2022 to remove Bookkeeping Charges of CAD $45,848.38 and consulting fees paid to John Evans (CAD $20,000). We anticipate that our franchisees will not incur the Bookkeeping Charges that we removed because they were for an outsourced administrative and bookkeeping company. We expect our franchisees to outsource this work or handle it internally, but, per Note 17 below, we have not disclosed expenses for wages and/or other compensation paid to any administrative or other indirect labor associated with the Affiliate Business. We removed the consulting fees paid to John Evans as our franchisees will not incur that expense.

14. *Storage Rent.* The term "Storage Rent" is not an initial significant expense category for franchisees. A facility could be required as business ramps and is required for our affiliate-owned outlet. Franchisees have the option to work from a home office and utilize it for storage in the first year or two of business so long as it has capacity for two (2) trailers and at least 500 square feet for storing equipment and supplies. We normalized this expense in 2021 for a CAD $3,000 per month double-bay storage facility with yard per Kijiji Post February 2022. We normalized this expense in 2022 for a CAD $3,600 per month double-bay storage facility with yard as per Kijiji Post February 15, 2023. We normalized this expense in 2023 for a CAD $3,800 per month double-bay storage facility with yard and offices per Kijiji Post February 8, 2024. Other costs related to operating the storage facility are accounted for under Utilities.

15. *Utilities.* The term "Utilities" means the amount spent on office HVAC, internet, and phone lines needed to carry out the course of regular business. For a business operating from home this amount could be reduced considerably.

16. *Vehicle.* The term "Vehicle" is reported vehicle related expenses including costs associated with operating Approved Vehicles utilized by technicians to provide line painting and pavement maintenance services, the cost of vehicle leases, fuel and vehicle maintenance. It does not include automobile insurance costs. We adjusted this figure in 2021 to remove CAD $15,343 in expenses related to the owner's vehicle. We adjusted this figure in 2022 to remove CAD $10,427.10 in expenses (vehicle payments, vehicle insurance, and vehicle registration) related to the owner's vehicle. We adjusted this figure in 2023 to remove CAD $ 32,066.38 in expenses (vehicle payments, vehicle insurance, personal fuel, repairs, and speeding tickets) related to the owner's vehicle. We anticipate that our franchisees will not incur the expenses we removed in the normal course of operating their Franchised Businesses.

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17. *Gross Sales Less COGS and Disclosed Expenses*. For the Affiliate Business disclosed in Table No. 1 above, the term "Gross Sales Less COGS and Disclosed Expenses" is calculated by: (i) taking the Gross Sales generated over the applicable measurement period described in Table No. 1; and (ii) subtracting the total COGS, as well as the other operating costs and estimated fees (Royalty Fees and Brand Fund Contribution), incurred in connection with the operations of this Affiliate Business over that same measurement period. It does not include any other operating costs or expenses that are not specifically identified in Table No. 1 above, including but not limited to (i) any wages and/or other compensation paid to any administrative or other indirect labor associated with the Affiliate Business, (ii) any salary or compensation for the owner, Designated Manager, and Salesperson of the Affiliate Business (it is assumed that the franchise owner will fulfill one or more of these roles), (iii) the costs and expenses associated with any owner vehicles, cell phones or other property that is used, at least in part, for personal use, (iv) any kind of office or third-party storage space rent on the grounds that a typical Franchised Business will not require such a space as part of our standard franchise offering (such space is optional and should only be acquired if and when needed, or (v) interest or debt service fees, or (vi) depreciation, amortization and/or any amounts expended in connection with "bad debts" incurred over the applicable measurement period. Please note that the Affiliate Business acquired additional third-party space to utilize in connection with its operations as it grew in size and reputation and that, as of the Issuance Date, the Affiliate Business does lease a space that is between 5,000 and 10,000 square feet in size.

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SECTION II
GROSS SALES GENERATED AMONGST THE 2023 DISCLOSED CN BUSINESSES AND THE 2023 DISCLOSED US BUSINESSES OVER THE 2023 CALENDAR YEAR

2023 Disclosed CN Businesses					
Performance Group (based on Gross Sales Reported for 2023 Calendar Year)	*# of Locations in Subset*	*Highest Gross Sales Reported in Subset*	*Average and Median Gross Sales Reported in Subset*	*Low Gross Sales Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	4	$2,215,767*	Average: $1,371,926 Median: $1,131,263	$1,009,415	1 (25%)
Middle Third	4	$887,650	Average: $722,136 Median: $717,179	$566,537	2 (50%)
Bottom Third	4	$303,334	Average: $243,471 Median: $245,598	$179,351	2 (50%)
All 12 of the 2023 Disclosed CN Businesses	12	$2,215,767*	Average: $779,177 Median: $717,178	$179,351	6 (50%)

**Please note that this is the Gross Sales reported by our Affiliate Location.*

2023 Disclosed US Businesses					
Performance Group (based on Gross Sales Reported for 2023 Calendar Year)	*# of Locations in Subset*	*Highest Gross Sales Reported in Subset*	*Average and Median Gross Sales Reported in Subset*	*Low Gross Sales Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	5	$923,719	Average: $665,135 Median: $593,375	$542,898	2 (40%)
Middle Third	5	$540,539	Average: $417,870 Median: $446,406	$315,146	3 (60%)
Bottom Third	5	$304,841	Average: $267,135 Median: $262,595	$204,633	2 (40%)
All 15 of the 2023 Disclosed US Businesses	15	$923,719	Average: $450,047 Median: $446,406	$204,633	7 (47%)

Explanatory Notes to Sections II, and V through XII:

Average and Median Figures. For a given subset displayed in this Item 19, please be advised that: (i) the median is calculated as the middle value in that subset or the mean of the two (2) middle (or only) values in a given subset if that subset is comprised of an even number of Businesses; and (ii) the average is calculated by taking the total of all values reported by the Businesses in that subset, and dividing that figure by the number of Businesses in that subset.

Currency Exchange Conversion. The Gross Sales for the Disclosed CN Businesses in this Section and Sections V through XII were reported to our Affiliate Franchisor in Canadian Dollars and have been converted from Canadian Dollars to U.S. Dollars using the average exchange rate over the 2023 Calendar Year as described above.

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SECTION III
CLOSE RATE (WON VS. LOST PROPOSALS)
AMONG ELEVEN (11) OF THE 2023 DISCLOSED CN BUSINESSES
AND TWELVE (12) OF THE 2023 DISCLOSED US BUSINESSES
OVER THE 2023 CALENDAR YEAR

2023 Disclosed CN Businesses					
Performance Group (Based on Won vs Lost Close Rate reported for 2023 Calendar Year)	*# of Locations in Subset*	*Highest Close Rate Reported in Subset*	*Average/Median Close Rate Reported in Subset*	*Lowest Close Rate Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	4	73%	Average: 64% Median: 65%	51%	2 (50%)
Middle Third	3	50%	Average: 50% Median: 50%	50%	3 (100%)
Bottom Third	4	44%	Average: 35% Median: 35%	22%	2 (50%)
11 of the 2023 Disclosed CN Businesses	11	73%	Average: 50% Median: 50%	22%	7 (64%)

2023 Disclosed US Businesses					
Performance Group (Based on Won vs Lost Close Rate reported for 2023 Calendar Year)	*# of Locations in Subset*	*Highest Close Rate Reported in Subset*	*Average/Median Close Rate Reported in Subset*	*Lowest Close Rate Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	4	78%	Average: 75% Median: 75%	70%	2 (50%)
Middle Third	4	66%	Average: 62% Median: 63%	58%	2 (50%)
Bottom Third	4	58%	Average: 55% Median: 55%	51%	2 (50%)
12 of the 2023 Disclosed US Businesses	12	78%	Average: 64% Median: 62%	51%	5 (42%)

Explanatory Note to Section III: The Close Rate percentages in Section III do not include any "open" proposals where the client has not answered or has not yet made a decision about hiring the business. We did not have accurate close rate data from one (1) of the twelve (12) Disclosed CN Businesses and three (3) of the fifteen (15) Disclosed US Businesses, so we excluded those franchises from the data in this Section III.

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Section IV
NUMBER OF CLIENTS ("CLIENT COUNT") AMONGST THE 2023 DISCLOSED CN BUSINESSES AND THE 2023 DISCLOSED US BUSINESSES OVER THE 2023 CALENDAR YEAR

2023 Disclosed CN Businesses					
Performance Group (based on Number of Clients Reported for the 2023 Calendar Year)	*# of Locations in Subset*	*Highest Client Count Reported in Subset*	*Average/Median Client Count Reported in Subset*	*Lowest Client Count Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	4	243	Average: 172 Median: 158	127	1 (25%)
Middle Third	4	127	Average: 104 Median: 105	77	2 (50%)
Bottom Third	4	71	Average: 53 Median: 54	31	2 (50%)
All 12 of the 2023 Disclosed CN Businesses	12	243	Average: 109 Median: 105	31	6 (50%)

2023 Disclosed US Businesses					
Performance Group (based on Number of Clients Reported for the 2023 Calendar Year)	*# of Locations in Subset*	*Highest Client Count Reported in Subset*	*Average/Median Client Count Reported in Subset*	*Lowest Client Count Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	5	75	Average: 59 Median: 55	53	1 (20%)
Middle Third	5	52	Average: 44 Median: 41	36	2 (40%)
Bottom Third	5	34	Average: 28 Median: 29	21	3 (60%)
All 15 of the 2023 Disclosed US Businesses	15	75	Average: 43 Median: 41	21	8 (53%)

Explanatory Note to Sections IV and V: *"Number of Clients" or "Client Count."* For each Disclosed Business, the terms "Number of Clients" and "Client Count" both mean the number of Clients that the owner of that Business completed jobs for and received payment from between January 1, 2023, and December 31, 2023.

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SECTION V
AVERAGE GROSS SALES GENERATED PER CLIENT AMONGST THE 2023 DISCLOSED CN BUSINESSES AND THE 2023 DISCLOSED US BUSINESSES OVER THE 2023 CALENDAR YEAR

2023 Disclosed CN Businesses					
Performance Group (based on Average Gross Sales per Client, as Reported for the 2023 Calendar Year)	*# of Locations in Subset*	*Highest Gross Sales per Client Reported in Subset*	*Average/Median Gross Sales per Client Reported in Subset*	*Lowest Gross Sales per Client Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	4	$32,560	Average: $14,511 Median: $8,737	$8,008	1 (25%)
Middle Third	4	$6,720	Average: $5,754 Median: $5,549	$5,197	2 (50%)
Bottom Third	4	$5,032	Average: $3,887 Median: $3,834	$2,846	1 (25%)
All 12 of the 2023 Disclosed CN Businesses	12	$32,560	Average: $8,051 Median: $5,549	$2,846	4 (33%)

2023 Disclosed US Businesses					
Performance Group (based on Average Gross Sales per Client, as Reported for the 2023 Calendar Year)	*# of Locations in Subset*	*Highest Gross Sales per Client Reported in Subset*	*Average/Median Gross Sales per Client Reported in Subset*	*Lowest Gross Sales per Client Reported in Subset*	*# and Percent of Locations that met or exceeded the Average*
Top Third	5	$16,794	Average: $15,541 Median: $16,169	$13,098	3 (60%)
Middle Third	5	$10,486	Average: $9,280 Median: $9,269	$8,422	2 (40%)
Bottom Third	5	$8,356	Average: $7,192 Median: $7,207	$5,977	3 (60%)
All 15 of the 2023 Disclosed US Businesses	15	$16,794	Average: $10,671 Median: $9,269	$5,977	5 (33%)

Explanatory Note to Section V: *Average Gross Sales Per Client.* For each Disclosed Business, the term "Average Gross Sales Per Client" was calculated as follows: (i) the Gross Sales generated by that Business over the 2023 calendar year (ii) divided by the total number of Clients reported by the Business as reflected in Section IV above. The Gross Sales for the Disclosed CN Businesses in this Section were reported to our Affiliate Franchisor in Canadian Dollars and have been converted from Canadian Dollars to U.S. Dollars using the average conversion rate over the 2023 Calendar Year as described above.

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SECTION VI
AVERAGE GROSS SALES GENERATED PER EXTERIOR LINE STRIPING PROJECT REPORTED TO US AND OUR AFFILIATE FRANCHISOR OVER THE 2023 CALENDAR YEAR

2023 CN Line Striping Projects					
Performance Group (based on Average Gross Sales per Exterior Line Striping Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Exterior Line Striping Project in Subset*	*Average/Median Gross Sales per Exterior Line Striping Project in Subset*	*Lowest Gross Sales per Exterior Line Striping Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	1,008	$177,051	Average: $6,132 Median: $2,396	$1,851	222 (22%)
Upper Quarter	1,009	$1,851	Average: $1,246 Median: $1,255	$885	461 (46%)
Lower Quarter	1,009	$885	Average: $659 Median: $667	$504	487 (48%)
Bottom Quarter	1,008	$504	Average: $376 Median: $441	$259	430 (43%)
All 4,043 of the 2023 CN Exterior Line Striping Projects	4,034	$177,051	Average: $2,103 Median: $885	$259	892 (22%)

"2023 CN Exterior Line Striping Projects" means all such projects reported to our Affiliate Franchisor by CN Businesses during the 2023 Calendar Year (not just Disclosed CN Businesses).

2023 US Line Striping Projects					
Performance Group (based on Average Gross Sales per Exterior Line Striping Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Exterior Line Striping Project in Subset*	*Average/Median Gross Sales per Exterior Line Striping Project in Subset*	*Lowest Gross Sales per Exterior Line Striping Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	428	$118,119	Average: $7,728 Median: $4,604	$2,862	96 (22%)
Upper Quarter	429	$2,842	Average: $2,008 Median: $1,940	$1,422	185 (43%)
Lower Quarter	429	$1,420	Average: $1,068 Median: $1,025	$791	200 (47%)
Bottom Quarter	428	$790	Average: $580 Median: $600	$350	234 (55%)
All 1,714 of the 2023 US Exterior Line Striping Projects	1,714	$118,119	Average: $2,843 Median: $1,420	$350	428 (25%)

"2023 US Exterior Line Striping Projects" means all such projects reported to us by US Businesses during the 2023 Calendar Year (not just Disclosed US Businesses).

Explanatory Note to Sections VI through XII: The Projects disclosed in Sections VI through XII are **all** of the Projects reported to us and our Affiliate Franchisor by all of the US Businesses and CN Businesses

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that performed these Projects during the 2023 Calendar Year. There were certain US Businesses and CN Businesses that did not report all of their Projects to us and our Affiliate Franchisor, and such Projects are not included in these Sections VI through XII.

SECTION VII
AVERAGE GROSS SALES GENERATED PER ASPHALT PROJECT REPORTED TO US AND OUR AFFILIATE FRANCHISOR OVER THE 2023 CALENDAR YEAR

2023 CN Asphalt Projects					
Performance Group (based on Average Gross Sales per Asphalt Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Asphalt Project in Subset*	*Average/Median Gross Sales per Asphalt Project in Subset*	*Lowest Gross Sales per Asphalt Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	69	$68,469	Average: $12,222 Median: $6,818	$3,993	16 (23%)
Upper Quarter	68	$3,978	Average: $2,874 Median: $2,870	$1,926	34 (50%)
Lower Quarter	69	$1,852	Average: $1,367 Median: $1,370	$889	35 (51%)
Bottom Quarter	69	$889	Average: $587 Median: $620	$259	39 (57%)
All 275 of the 2023 CN Asphalt Projects	275	$68,469	Average: $4,234 Median: $1,852	$259	65 (24%)

"2023 CN Asphalt Projects" means all such projects reported to our Affiliate Franchisor by CN Businesses during the 2023 Calendar Year (not just Disclosed CN Businesses).

2023 US Asphalt Projects					
Performance Group (based on Average Gross Sales per Asphalt Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Asphalt Project in Subset*	*Average/Median Gross Sales per Asphalt Project in Subset*	*Lowest Gross Sales per Asphalt Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	79	$112,600	Average: $13,610 Median: $7,021	$4,700	18 (23%)
Upper Quarter	80	$4,600	Average: $3,356 Median: $3,256	$2,500	37 (46%)
Lower Quarter	79	$2,500	Average: $1,825 Median: $1,825	$1,250	40 (51%)
Bottom Quarter	79	$1,250	Average: $718 Median: $700	$350	38 (48%)
All 317 of the 2023 US Asphalt Projects	317	$112,600	Average: $4,484 Median: $2,500	$350	82 (26%)

"2023 US Asphalt Projects" means all such projects reported to us by US Businesses during the 2023 Calendar Year (not just Disclosed US Businesses).

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SECTION VIII
AVERAGE GROSS SALES GENERATED PER SEALCOATING PROJECT REPORTED TO US AND OUR AFFILIATE FRANCHISOR OVER THE 2023 CALENDAR YEAR

2023 CN Sealcoating Projects					
Performance Group (based on Average Gross Sales per Sealcoating Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Sealcoating Project in Subset*	*Average/Median Gross Sales per Sealcoating Project in Subset*	*Lowest Gross Sales per Sealcoating Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	17	$30,319	Average: $11,113 Median: $7,701	$5,148	6 (35%)
Upper Quarter	18	$4,815	Average: $3,611 Median: $3,439	$2,593	8 (44%)
Lower Quarter	17	$2,296	Average: $1,666 Median: $1,518	$1,111	7 (41%)
Bottom Quarter	17	$1,111	Average: $746 Median: $811	$296	9 (53%)
All 69 of the 2023 CN Sealcoating Projects	69	$30,319	Average: $4,274 Median: $2,593	$296	20 (29%)

"2023 CN Sealcoating Projects" means all such projects reported to our Affiliate Franchisor by CN Businesses during the 2023 Calendar Year (not just Disclosed CN Businesses).

2023 US Sealcoating Projects					
Performance Group (based on Average Gross Sales per Sealcoating Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Sealcoating Project in Subset*	*Average/Median Gross Sales per Sealcoating Project in Subset*	*Lowest Gross Sales per Sealcoating Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	96	$147,700	Average: $23,925 Median: $15,701	$9,336	28 (29%)
Upper Quarter	97	$9,285	Average: $6,291 Median: $6,085	$4,300	40 (41%)
Lower Quarter	97	$4,284	Average: $3,074 Median: $3,000	$2,200	45 (46%)
Bottom Quarter	96	$2,195	Average: $1,173 Median: $985	$350	43 (45%)
All 386 of the 2023 US Sealcoating Projects	386	$147,700	Average: $8,438 Median: $4,292	$350	105 (27%)

"2023 US Sealcoating Projects" means all such projects reported to us by US Businesses during the 2023 Calendar Year (not just Disclosed US Businesses).

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SECTION IX
AVERAGE GROSS SALES GENERATED PER CRACKFILLING PROJECT REPORTED TO US AND OUR AFFILIATE FRANCHISOR OVER THE 2023 CALENDAR YEAR

2023 CN Crackfilling Projects					
Performance Group (based on Average Gross Sales per Crackfilling Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Crackfilling Project in Subset*	*Average/Median Gross Sales per Crackfilling Project in Subset*	*Lowest Gross Sales per Crackfilling Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	54	$26,938	Average: $4,520 Median: $3,519	$1,815	13 (24%)
Upper Quarter	55	$1,800	Average: $1,234 Median: $1,200	$916	27 (49%)
Lower Quarter	54	$907	Average: $735 Median: $718	$589	25 (46%)
Bottom Quarter	54	$584	Average: $447 Median: $452	$278	27 (50%)
All 217 of the 2023 CN Crackfilling Projects	217	$26,938	Average: $1,732 Median: $916	$278	56 (26%)

"2023 CN Crackfilling Projects" means all such projects reported to our Affiliate Franchisor by CN Businesses during the 2023 Calendar Year (not just Disclosed CN Businesses).

2023 US Crackfilling Projects					
Performance Group (based on Average Gross Sales per Crackfilling Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Crackfilling Project in Subset*	*Average/Median Gross Sales per Crackfilling Project in Subset*	*Lowest Gross Sales per Crackfilling Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	49	$35,000	Average: $9,863 Median: $7,475	$4,749	17 (35%)
Upper Quarter	48	$4,695	Average: $2,959 Median: $2,768	$2,059	18 (38%)
Lower Quarter	49	$2,030	Average: $1,597 Median: $1,625	$1,100	26 (53%)
Bottom Quarter	49	$1,088	Average: $745 Median: $783	$350	27 (55%)
All 195 of the 2023 US Crackfilling Projects	195	$35,000	Average: $3,795 Median: $2,030	$350	57 (29%)

"2023 US Crackfilling Projects" means all such projects reported to us by US Businesses during the 2023 Calendar Year (not just Disclosed US Businesses).

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SECTION X
AVERAGE GROSS SALES GENERATED PER INTERIOR STRIPING PROJECT REPORTED TO US AND OUR AFFILIATE FRANCHISOR OVER THE 2023 CALENDAR YEAR

2023 CN Interior Striping Projects					
Performance Group (based on Average Gross Sales per Interior Striping Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Interior Striping Project in Subset*	*Average/Median Gross Sales per Interior Striping Project in Subset*	*Lowest Gross Sales per Interior Striping Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	19	$23,832	Average: $9,915 Median: $6,884	$4,386	7 (37%)
Upper Quarter	18	$4,408	Average: $2,737 Median: $2,726	$2,148	9 (50%)
Lower Quarter	19	$2,140	Average: $1,453 Median: $1,462	$1,059	10 (53%)
Bottom Quarter	19	$1,004	Average: $702 Median: $726	$278	10 (53%)
All 75 of the 2023 CN Interior Striping Projects	75	$23,832	Average: $3,799 Median: $2,140	$278	20 (27%)

"2023 CN Interior Striping Projects" means all such projects reported to our Affiliate Franchisor by CN Businesses during the 2023 Calendar Year (not just Disclosed CN Businesses).

2023 US Interior Striping Projects					
Performance Group (based on Average Gross Sales per Interior Striping Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Interior Striping Project in Subset*	*Average/Median Gross Sales per Interior Striping Project in Subset*	*Lowest Gross Sales per Interior Striping Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	14	$163,930	Average: $25,460 Median: $12,546	$9,334	2 (14%)
Upper Quarter	13	$9,000	Average: $7,002 Median: $6,875	$4,899	6 (46%)
Lower Quarter	14	$4,771	Average: $4,298 Median: $4,339	$3,900	8 (57%)
Bottom Quarter	14	$3,631	Average: $2,350 Median: $2,607	$534	7 (50%)
All 55 of the 2023 US Interior Striping Projects	55	$163,930	Average: $9,828 Median: $4,771	$534	11 (20%)

"2023 US Interior Striping Projects" means all such projects reported to us by US Businesses during the 2023 Calendar Year (not just Disclosed US Businesses).

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SECTION XI
AVERAGE GROSS SALES GENERATED PER TBL DURABLES PROJECT REPORTED TO US AND OUR AFFILIATE FRANCHISOR OVER THE 2023 CALENDAR YEAR

2023 CN TBL Durables Projects					
Performance Group (based on Average Gross Sales per TBL Durables Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per TBL Durables Project in Subset*	*Average/Median Gross Sales per TBL Durables Project in Subset*	*Lowest Gross Sales per TBL Durables Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	5	$22,487	Average: $12,302 Median: $7,701	$6,630	2 (40%)
Upper Quarter	4	$5,519	Average: $4,850 Median: $4,801	$4,279	2 (50%)
Lower Quarter	5	$3,776	Average: $3,028 Median: $3,154	$2,254	3 (60%)
Bottom Quarter	5	$2,200	Average: $1,256 Median: $889	$519	3 (60%)
All 19 of the 2023 CN TBL Durables Projects	19	$22,487	Average: $5,386 Median: $3,776	$519	6 (32%)

"2023 CN TBL Durables Projects" means all such projects reported to our Affiliate Franchisor by CN Businesses during the 2023 Calendar Year (not just Disclosed CN Businesses).

2023 US TBL Durables Projects					
Performance Group (based on Average Gross Sales per TBL Durables Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per TBL Durables Project in Subset*	*Average/Median Gross Sales per TBL Durables Project in Subset*	*Lowest Gross Sales per TBL Durables Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	29	$39,100	Average: $6,557 Median: $4,420	$3,534	6 (21%)
Upper Quarter	30	$3,500	Average: $3,261 Median: $3,249	$3,128	8 (27%)
Lower Quarter	30	$3,128	Average: $2,818 Median: $2,772	$2,305	12 (40%)
Bottom Quarter	29	$2,295	Average: $1,298 Median: $1,118	$477	14 (48%)
All 118 of the 2023 US TBL Durables Projects	118	$39,100	Average: $3,476 Median: $3,127	$477	30 (25%)

"2023 US TBL Durables Projects" means all such projects reported to us by US Businesses during the 2023 Calendar Year (not just Disclosed US Businesses).

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SECTION XII
AVERAGE GROSS SALES GENERATED PER RESINOUS (EPOXY) FLOORING PROJECT REPORTED TO US AND OUR AFFILIATE FRANCHISOR OVER THE 2023 CALENDAR YEAR

2023 CN Resinous (Epoxy) Flooring Projects					
Performance Group (based on Average Gross Sales per Resinous (Epoxy) Flooring Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Resinous (Epoxy) Flooring Project in Subset*	*Average/Median Gross Sales per Resinous (Epoxy) Flooring Project in Subset*	*Lowest Gross Sales per Resinous (Epoxy) Flooring Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	22	$41,392	Average: $15,315 Median: $11,205	$5,445	6 (27%)
Upper Quarter	21	$5,112	Average: $3,810 Median: $3,753	$3,056	9 (43%)
Lower Quarter	22	$2,959	Average: $2,596 Median: $2,717	$2,103	12 (55%)
Bottom Quarter	22	$2,089	Average: $1,345 Median: $1,295	$482	10 (45%)
All 87 of the 2023 CN Resinous (Epoxy) Flooring Projects	87	$41,392	Average: $5,789 Median: $2,960	$482	20 (23%)

"2023 CN Resinous (Epoxy) Flooring Projects" means all such projects reported to our Affiliate Franchisor by CN Businesses during the 2023 Calendar Year (not just Disclosed CN Businesses).

2023 US Resinous (Epoxy) Flooring Projects					
Performance Group (based on Average Gross Sales per Resinous (Epoxy) Flooring Project, as Reported for the 2023 Calendar Year)	*# of Projects in Subset*	*Highest Gross Sales per Resinous (Epoxy) Flooring Project in Subset*	*Average/Median Gross Sales per Resinous (Epoxy) Flooring Project in Subset*	*Lowest Gross Sales per Resinous (Epoxy) Flooring Project in Subset*	*# and Percent of Projects that met or exceeded the Average*
Top Quarter	3	$18,085	Average: $14,505 Median: $14,100	$11,331	1 (33%)
Upper Quarter	3	$6,493	Average: $5,417 Median: $5,400	$4,358	1 (33%)
Lower Quarter	3	$3,500	Average: $3,061 Median: $3,500	$2,184	2 (67%)
Bottom Quarter	3	$1,750	Average: $1,354 Median: $1,404	$909	1 (33%)
All 12 of the 2023 US Resinous (Epoxy) Flooring Projects	12	$18,085	Average: $6,084 Median: $3,929	$909	4 (33%)

"2023 US Resinous (Epoxy) Flooring Projects" means all such projects reported to us by US Businesses during the 2023 Calendar Year (not just Disclosed US Businesses).

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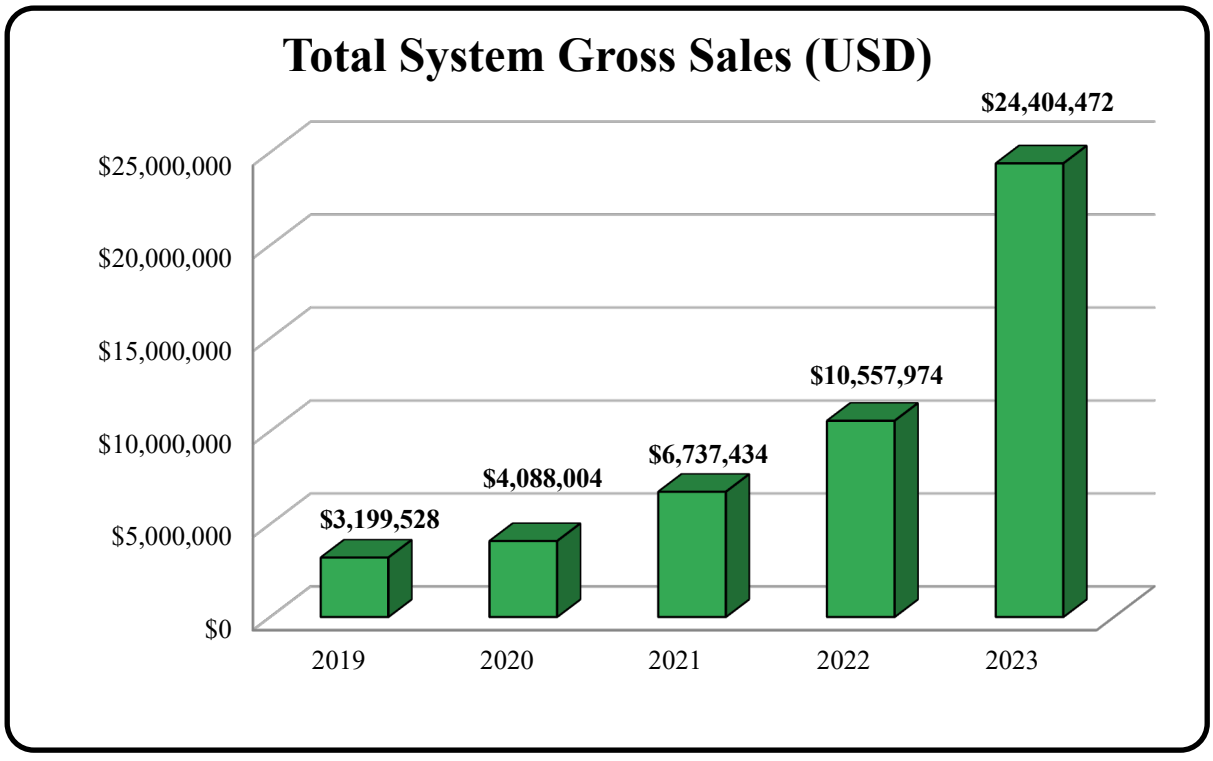
SECTION XIII
ANNUAL TOTAL SYSTEM SALES
AMONGST ALL CN BUSINESSES AND US BUSINESSES
DURING THE 2019, 2020, 2021, 2022, AND 2023 CALENDAR YEARS

Total System Gross Sales		
Year	***Canadian Dollars***	***U.S. Dollars***
2019	$4,244,532	$3,199,528
2020	$5,478,430	$4,088,004
2021	$8,445,016	$6,737,434
2022	$13,733,930	$10,557,974
2023	$32,946,381	$24,404,472

Explanatory Note to Section XIII: The Gross Sales in this Section XIII were converted using the average exchange rate between the Canadian Dollar and the United States Dollar as of February 15, 2024. As of February 15, 2024, the USD to CAD average exchange rate was $1 USD = $0.7408 CAD. As of February 15, 2024, the CAD to USD average exchange rate was $1 CAD = $1.3501 USD. The converted figures were combined to show the Total System Gross Sales from each year. For example, for the 2023 Calendar Year, the Gross Sales from all CN Businesses was reported to our Affiliate Franchisor in CAD, converted to USD, and added to the Gross Sales reported to us by all US Businesses for a total amount of $24,404,472 USD.



Explanatory Note to Section XIII: The "Total System Gross Sales" for each year disclosed in this Section XIII means the total Gross Sales reported to us and our Affiliate Franchisor by all US Businesses and CN Businesses combined during the applicable year.

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Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn this much.

Written substantiation of the data used in preparing this financial performance representation will be made available to you as a prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. Franchisor also does not authorize our employees or representatives to make any such representations orally or in writing. If you are purchasing an existing Business, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Director and President, John Evans, c/o EverLine Franchising US, Inc., 9960 Bammel North Houston Rd., Houston, TX 77086, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
SYSTEM-WIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	**2021**	0	0	0
	2022	0	20	+20
	2023	20	55	+35
Company-Owned*	**2021**	0	0	0
	2022	0	0	0
	2023	**0**	0	0
Total Outlets	**2021**	**0**	**0**	**0**
	2022	**0**	**20**	**+20**
	2023	**20**	**55**	**+35**

*Note that this chart does not include our Affiliate Outlet, which is operated by an affiliate of ours in Canada. See Item 1.

Table 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2021 TO 2023

State	Year	Number of Transfers
Florida	2021	0
	2022	0
	2023	1
Total	**2021**	0
	2022	0
	2023	~~0~~1

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Table 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
AL	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
AR	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
AZ	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
CO	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
FL	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
	2023	3	3	1	0	0	0	5
GA	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
ID	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
IN	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
IA	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
KS	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
LA	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MA	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
MI	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
MN	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
MO	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
NE	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
NC	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
OH	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	3	0	0	0	0	4
OK	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
PA	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
SC	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
TN	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
TX	2021	0	0	0	0	0	0	0
	2022	0	7	0	0	0	0	7
	2023	7	4	0	0	0	0	11
UT	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
VA	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
WI	2021	0	0	0	0	0	0	0

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**20**	**0**	**0**	**0**	**0**	**20**
	2023	**20**	**36**	**1**	**0**	**0**	**0**	**55**

Table 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**

Table 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023

State	Franchise Agreement Signed But Unit Not Yet Open	Projected New Franchised Units Opening in The Next Fiscal Year	Projected New Company-Owned Units in the Next Fiscal Year
California	7	7	0
Colorado	1	1	0
Connecticut	1	1	0
Florida	2	2	0
Georgia	1	1	0
Illinois	1	1	0
Indiana	2	2	0
Kentucky	1	1	0
Massachusetts	1	1	0
Michigan	1	1	0
New Jersey	2	2	0
Ohio	1	1	0
Rhode Island	1	1	0
South Carolina	1	1	0
Tennessee	1	1	0
Texas	1	1	0
Virginia	1	1	0
Total	**26**	**26**	**0**

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A list of the names, addresses and telephone numbers of our current franchisees as of the Issuance Date of this Disclosure Document, as well as a list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, are attached as Exhibit E. We do not currently have any franchisee or former franchisee information to disclose.

If you buy the franchise offered in this disclosure document, your contact information may be disclosed to other buyers when you leave the franchise system.

In the last three fiscal years, we have not required franchisees to enter into any confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

There are no trademark-specific franchisee organizations that require disclosure under this Item.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit F are our audited financial statements as of December 31, 2023, December 31, 2022 and December 31, 2021, our unaudited balance sheet as of ~~February 29~~September 25, 2024, and our unaudited profit and loss statement from January 1, 2024 to ~~February 29~~September 25, 2024. Our fiscal year end is December 31st.

ITEM 22

CONTRACTS

Copies of the following contracts or documents are also attached as Exhibits to the Disclosure Document that you may be required to execute in connection with your franchise purchase:

Franchise Agreement (and Exhibits)	Exhibit B
Multi-Territory Addendum	Exhibit C
State Specific Addenda (if and as applicable)	Exhibit I
Confidentiality and Non-Disclosure Agreement (if an as required)	Exhibit G
Sample Form of General Release Agreement (example only)	Exhibit H

ITEM 23

RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit J. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to us at: Attn: John Evans, President, c/o EverLine Franchising US, Inc., 6910 Farrell Road SE, Calgary AB T2H 0T1.

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EXHIBIT A TO
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

LIST OF AGENTS FOR SERVICE OF PROCESS

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LIST OF STATE ADMINISTRATORS

California
Department of Financial Protection and Innovation
320 West 4th Street
Suite 750
Los Angeles, California 90013
1-866-275-2677

Florida
Florida Department of Agriculture & Consumer Services
Division of Consumer Affairs
PO Box 6700
Tallahassee, Florida 32314-6700

Hawaii
Business Registration Division
Securities Compliance Branch
Department of Commerce & Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813

Illinois
Office of Attorney General
Franchise Division
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Secretary of State
Franchise Section
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Kentucky
Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
Frankfort, Kentucky 40601

Maryland
Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
PO Box 95006
Lincoln, NE 68508

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222 Phone
(212) 416-6042 Fax

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
Department of Business Regulation
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid Ave., Suite 104
Pierre, South Dakota 57501
(605) 773-3563

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Statutory Document Section
Secretary of State
P.O. Box 13550
Austin, Texas 78711

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8700

Wisconsin
Department of Financial Institutions
Division of Securities
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Madison, Wisconsin 53701
(608) 266-2801

LIST OF AGENTS FOR SERVICE OF PROCESS

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Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
1-866-275-2677

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

Indiana
Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Kentucky
Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
P.O. Box 2000
Frankfort, Kentucky 40602

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota
Commissioner of Commerce
Department of Commerce
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St. Paul, Minnesota 55101-2198

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
PO Box 95006
Lincoln, Nebraska 68508

New York
~~NYS Department~~Secretary of ~~Law~~State
~~Investor Protection Bureau~~
~~28 Liberty Street, 21st Floor~~
~~New York~~99 Washington Avenue
Albany, NY ~~10005~~12231
(212) 416-8222

North Dakota
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
Department of Business Regulation
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920

South Dakota
Director of the Division of Insurance
124 S. Euclid Ave., Suite 104
Pierre, South Dakota 57501

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Statutory Documents Section
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Securities Division
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Wisconsin
Administrator
Division of Securities
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Madison, Wisconsin 53703

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EXHIBIT B TO
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

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EVERLINE FRANCHISING US, INC.

FRANCHISE AGREEMENT

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EVERLINE FRANCHISING US, INC.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this ___day of _____, 202__ ("Effective Date,") by and between: (i) EverLine Franchising US, Inc., a Texas corporation with its business address at 9960 Bammel North Houston Road, Houston, Texas 77086 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the development, opening, and ongoing operation of a business that offers and provides various commercial, industrial and residential, public and private, exterior and interior line pavement marking, painting of parking lots and park-ades, office and industrial areas, and related parking lot and pavement maintenance products and services ("Approved Products" and "Approved Services") to be undertaken with respect to such clients (each, a "Client"), at the respective properties (each, a "Client Property"), using methods and procedures, specially designed products and services, methods of operation, management programs, standards, specifications under our then-current Proprietary Marks (as defined below). For purposes of this Agreement, each such business will be referred to herein as a "Franchised Business."

B. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Franchised Business; standards and specifications for the supplies, inventory and methodology associated with storing, preparing, offering and providing each type of Approved Product and Approved Service; advertising; marketing; standards and specifications for equipment; equipment and other services; basic standards for third-party storage/operational space; standards and specifications for the office equipment and fixtures, including computer hardware and system, that must be used in connection with a Franchised Business; established relationships with approved or designated suppliers for certain products and services that must be utilized in connection with a Franchised Business, including certain proprietary and/or branded items; proprietary training programs, courses and training materials; Franchisor's confidential and proprietary operations manual and, at Franchisor's option, other instructional manuals that have been reduced to writing (collectively, the "Manuals"); and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Franchised Business. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information that makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and Franchised Business is primarily identified by the marks "EverLine" and "EverLine Coatings and Services" as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

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D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single Franchised Business utilizing the Proprietary Marks and System.

E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

F. Franchisee desires to acquire a non-exclusive franchise for the right to operate a single Franchised Business, and has submitted an application to obtain such a franchise from Franchisor.

G. Franchisor is willing to grant Franchisee the right to operate a Franchised Business based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

H. If Franchisee is an entity or partnership, each owner of a beneficial interest in Franchisee shall execute the form of Personal Guaranty attached hereto as Exhibit B.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

A. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she/they is/are not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.

B. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.

C. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

D. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those related to the provision of any Approved Services and sale of any Approved Products, that are

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necessary to operate the Franchised Business within the Designated Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located at all times during the term of this Agreement. Franchisee specifically agrees and acknowledges that it will determine whether or not any type of contractor license or similar license/certification is needed to conduct the Franchised Business and, if such a license is required, Franchisee will obtain such license/certification prior to operating the Franchised Business in any manner. Franchisor shall have no liability in the event the development or operation of the Franchised Business violates any law, ordinance or regulation.

E. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a Franchised Business; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

F. The parties agree and acknowledge that all provisions and information set forth in the "Background" portion of this Agreement, including all definitions and representations set forth therein, are hereby incorporated by reference as if fully set forth herein.

G. Franchisee agrees and acknowledges as follows:

1. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors/personnel. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

2. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractor, nor vice versa.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single Franchised Business (the "Franchised Business").

B. **Premises; Mobile Unit; Sales Vehicle.** Unless Franchisor approves otherwise in writing, Franchisee will be required to operate the Franchised Business at an approved location, which Franchisor expects to be a home office or other work space that Franchisee already owns ("Premises") and has parking available for the Mobile Unit (as defined below) and Sales Vehicle (as defined below) within the Designated Territory. Franchisee may not relocate the Franchised Business to any location other than the Premises without

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Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the Franchised Business within the Designated Territory (as defined below); (ii) Franchisee pays the Relocation Fee of one thousand dollars ($1,000) ("Relocation Fee"); and (iii) Franchisee reimburses Franchisor for the reasonable costs and expenses that Franchisor incurs in connection with evaluating and approving the proposed relocation. If the parties have not agreed on a Premises as of the date this Agreement is executed, Franchisee will locate a Premises in its Designated Territory that meets Franchisor's standards and specifications. Franchisee will also acquire and utilize a (i) vehicle that (a) meets Franchisor's then-current System standards and specifications, and (b) is branded with the vehicle wrap and/or decals and/or other signage Franchisor designate that incorporates the current Proprietary Marks (each, a "Mobile Unit"), and (ii) a sales vehicle that Franchisee will use to visit Client Properties and meet with prospective Clients ("Sales Vehicle").

C. **Designated Territory.**

1. Franchisee shall only have the right to operate the Franchised Business and offer/provide the Approved Services and Approved Products in connection with homes and businesses that are located within the designated territory set forth in the Data Sheet (the "Designated Territory").

2. The parties agree and acknowledge that in the event Franchisee and Franchisor enter into the prescribed form of addendum to this Agreement (the "Multi-Territory Addendum") whereby Franchisee will be awarded the right to operate in a second or multiple contiguous additional territory(ies) (each, an "Additional Territory" and collectively, "Additional Territories"), then: (i) said Additional Territory or Additional Territories will be considered part of the "Designated Territory" hereunder for all purposes; (ii) Franchisee will be required to comply with all provisions in this Agreement that specifically reference the Additional Territory or Additional Territories; and (iii) any breach of the foregoing provision or any term of the Multi-Territory Addendum will constitute a material default under this Agreement.

3. For so long as Franchisee is in compliance with this Agreement, Franchisor will not establish or operate, or license a third party the right to establish or operate, any other Business that utilizes the System and Proprietary Marks from a premises within the Designated Territory or Additional Territory(ies).

4. Franchisee shall obtain Franchisor's prior written consent if Franchisee wants to market, offer, or provide the Approved Services and Approved Products outside of the Designated Territory.

D. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not grant Franchisee any right or option to open any additional Franchised Businesses nor does this Agreement provide Franchisee with any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises and within the Designated Territory. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Franchised Businesses, each of which will be governed by the Multi-Territory Addendum and this Agreement.

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E. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) own and operate franchised businesses at any location(s) outside of the Designated Territory under the Proprietary Marks, or to license others the right to own and operate Franchised Businesses at any location(s) outside of the Designated Territory under the Proprietary Marks and System; (ii) the right to own and operate businesses under different marks at any location(s) inside or outside of the Designated Territory, or license to others the right to own and operate such businesses, under different marks at any location(s) inside or outside of the Designated Territory (such businesses will not primarily provide painting products and services); (iii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including the sale of any "EverLine" or "EverLine Coatings and Services" painting, striping and other products in wholesale and retail stores, via the Internet, and through mail order catalog, without regard to location; (iv) offer, sell, and perform the Approved Services to Reserved Accounts (defined in Section 2(F)); and (v) market, offer and provide the Approved Services directly to personnel in their respective residence, office or other location of choice and not from a Business location, anywhere inside or outside of the Designated Territory; (vi) own and operate Businesses in "Non-Traditional Locations" including, but not limited to, airports, malls, any captive venue that requires a ticket or other membership to access, military bases, academic institutions, hospitals, commercial and/or corporate parks, high-rise and/or other larger, multi-unit buildings, home improvement retailers (i.e., Home Depot® and Lowes®) and any other captive venue, both within or outside Franchisee's Designated Territory(ies); and (vii) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement.

F. **Reserved Accounts**. Franchisor reserves the right, through itself or its designee (which may be another business that Franchisor authorizes) to offer, sell, and perform the Approved Services for customers who have locations in more than one territory (each, a "Reserved Account"), at Client Properties located both within and outside of the Designated Territory with no remuneration due to Franchisee. Franchisor may, but is not required to, authorize Franchisee to perform Approved Services for Reserved Accounts. Any Approved Services that Franchisee performs for a Reserved Account are subject to different pricing, payment and other terms (including any sales commission to be payable by Franchisee to Franchisor or any employee or agent who procured the Reserved Account, including other EverLine Coatings and Services franchisees). Except as permitted by Franchisor, Franchisee shall not enter into any direct or indirect relationship with a Reserved Account. Franchisee shall comply with all rules and regulations that Franchisor may issue in the Manual from time to time for Reserved Accounts.

G. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Manuals or otherwise).

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3. TERM AND RENEWAL

A. **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years ("Initial Term") commencing as of the Effective Date.

B. **Renewal**. Franchisee may submit a request to renew this Agreement for up to two (2) additional, consecutive term of ten (10) years, and must provide the request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3. Franchisee pays Franchisor a renewal fee amounting to Ten Thousand Dollars ($10,000) per Designated Territory awarded prior to Franchisor entering into the renewal form of franchise agreement described in Section 3(B)(2) above. Franchisee will not be required to pay an additional Initial Franchisee Fee (as defined in Section 4) upon renewal.

4. At Franchisor's option, Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable) attends a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement. Franchisee will be responsible for all expenses incurred in connection with attending this refresher training.

5. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

6. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

7. Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Mobile Unit(s) and Sales Vehicle(s) (defined herein) and

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Franchised Business within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Franchised Business.

4. FEES AND PAYMENTS

A. **Fees**. In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, Franchisor's designated supplier:

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee amounting to Fifty-Nine Thousand Five Hundred Dollars ($59,500) (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment. We offer a 10% discount to qualifying military veterans. The military discount is available to veterans who have received a discharge (other than dishonorable) as well as any active-duty personnel. If the franchisee is a corporation, limited liability company, or other legal entity, the veteran participant must maintain at least 51% ownership interest in the entity to qualify for this discount. To apply for the discount, you must provide us a copy of form DD-214, reflecting your military status, before the Franchise Agreement is signed.

2. *Royalty Fee & Minimum Royalty*.

2.1 Royalty Fee. Subject to the provisions of Section 2.2, below, during the Term of this Agreement, Franchisee shall pay Franchisor a continuing monthly Royalty Fee in an amount equal to six percent (6%) of Franchisee's Gross Sales generated by Franchisee's Franchised Business (the "Royalty Fee"). Franchisee agrees that all Royalty Fees, including any Minimum Royalty, are non-refundable. The Royalty Fee is payable on the last day of each calendar month. The Royalty Fee is deemed fully earned and nonrefundable upon payment. For work that is done by an approved sub-contractor in part or full, the royalty rate shall be two and a half percent (2.5%) for the part of the job that is performed by the sub-contractor. Such percentage shall only apply if the work done by the sub-contractor is deemed completely necessary by us and if Franchisee submits records of the sub-contractor costs.

2.2 Minimum Royalty. Notwithstanding the provisions of Section 2.1, above, Franchisee shall pay Franchisor a minimum annual royalty **per Designated Territory** granted to Franchisee under this Agreement and the Multi-Territory Addendum attached hereto, determined as set forth below, which will be calculated by deducting the amount of Royalty Fees due from Franchisee calculated in accordance with Section 2.1 above, in the applicable Calendar Year, from the amounts set forth below ("Minimum Royalty").

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2.2.1 Calendar Year Determination. Franchisor and Franchisee agree that the following is how calendar years will be determined:

(a) "First Calendar Year" shall be that portion of the year ending on December 31 of the same year as the Effective Date of this Agreement;
(b) "Second Calendar Year" shall be the first full year following the First Calendar Year;
(c) "Third Calendar Year" shall be the second full year following the First Calendar Year; and
(d) "Fourth Calendar Year" through "Tenth Calendar Year" shall be determined in the same manner as set forth in subparagraphs (b) and (c) above, except increasing by one for each full year following the First Calendar Year.

2.2.2 Franchisee shall be required to pay Franchisor the following Minimum Royalty **per Designated Territory** for each of the Calendar Years indicated:

Calendar Years	Minimum Royalty **per DesignatedTerritory**
Second Calendar Year (*if Section 2.2.3 applies*)	$6,000
Second Calendar Year (*if Section 2.2.4 applies*)	$3,000
Third Calendar Year	$9,000
Fourth Calendar Year	$11,250
Fifth through Sixth Calendar Years	$15,526
Seventh through Eighth Calendar Years	$15,526
Ninth through Tenth Calendar Years	$22,500

2.2.3 If the Effective Date of this Agreement is within the first through fifth calendar months (January through May) of a year, then, for the Second Calendar Year, Franchisee shall be required to pay Franchisor a Minimum Royalty in the amount of $6,000 per Designated Territory.

2.2.4 If the Effective Date of this Agreement is within the sixth through twelfth calendar months (June through December) of a year, then, for the Second Calendar Year, Franchisee shall be required to pay Franchisor a Minimum Royalty in the amount of $3,000 per Designated Territory.

2.2.5 If the final Calendar Year is less than twelve (12) months, then the amount of the Minimum Royalty will be determined on a pro rata basis based on the number of months or portion of a month during which Franchisee operated in the final Calendar Year, divided by twelve (12).

2.2.6 Any Minimum Royalty due under this Section 2.2 must be paid to Franchisor on or before December 31 of the Calendar Year for which the Minimum Royalty is due.

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3. *Fund Contribution*. Franchisor has established a System-wide brand fund (the "Fund"). Franchisee shall make monthly contributions to the Fund at the same time and in the same manner as the Royalty Fee. Franchisee shall contribute to the Fund in an amount equal to two percent (2%) of Franchisee's monthly Gross Sales (the "Fund Contribution"). Franchisor reserves the right to increase the Fund Contribution to three percent (3%) of Franchisee's monthly Gross Sales and may modify such Fund Contribution upon thirty (30) days' written notice to Franchisee.

4. *Local Advertising Requirement.* Franchisee is obligated to expend a minimum amount equal to one percent (1%) of Gross Sales generated by the Franchised Business over the preceding reporting period on the promotion, marketing and advertising of the Franchised Business in the Designated Territory.

5. *Software Licensing Fee*. Franchisee shall pay Franchisor or its designee the then-current software licensing fee, which is currently $215/month per license (the "Software Licensing Fee").

6. *Referral Fee*. In the event Franchisor establishes a referral program ("Referral Program"), Franchisee shall pay Franchisor or its designee or the System franchisee referring the Client, the then-current referral fee as set forth in the Manual (the "Referral Fee").

7. *Initial Marketing Spend.* Prior to Opening the Franchised Business, Franchisee must expend between $7,209 and $11,209 (the "Initial Marketing Spend") on the promotion of the Franchised Business within the Designated Territory (or Territories). Franchisor may require that Franchisee expend all or some portion of this Initial Marketing Spend on services and/or content that is acquired from one (1) or more Approved Suppliers.

8. *Technology Fee.* Franchisee must pay Franchisor or its Approved Supplier a technology fee in connection with technology products or services Franchisor determines to (a) associate or utilize in connection with the System, and (b) use the Technology Fee to cover all or certain portion of the corresponding costs (the "Technology Fee").

9. *Other Inventory Purchases*. Franchisee will be required to purchase ongoing inventory, including certain proprietary and/or branded paint and other products necessary to provide the Approved Services (collectively, the "Proprietary Products"), as in the amounts initially required by Franchisor and otherwise as needed to meet client demand for the Approved Services.

10. *Definition of Gross Sales.* In addition to the fees above, Franchisee will be required to pay Franchisor certain ongoing fees that may be based on gross sales. As used in this Agreement, "Gross Sales" include all: (a) revenue from the sale of all products and performance of services from the Franchised Business, whether for cash, credit or barter, and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business; and (b) any rebates or other consideration that Franchisee receives from third-party vendors/suppliers. "Gross Sales" from customers will not include monies that are collected and submitted by Franchisee for the transmittal to the appropriate taxing authority. In computing the Gross Sales, the Franchisee shall be permitted to deduct the amount

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of cash refunds to, and coupons used by customers at or prior to the time the customer has paid the full balance owed to Franchisee, provided such amounts have been included in sales. In the event Franchisee participates in any discount program, including but not limited to Groupon (which Franchisor must approve in writing), Gross Sales will include the full retail value of the goods or services rendered to the customer before any discounts or commission.

11. *Other Amounts.* Franchisee will also be responsible for the other costs associated with establishing and operating the Franchised Business in accordance with System standards and specifications that Franchisee may be required to pay to Franchisor's approved or designated supplier (which may include Franchisor or its affiliates): (a) the purchase of initial stencil tool(s) ("Initial Stencil Tools"); (b) the purchase of the brand collateral package ("Brand Collateral Package"); (c) uniforms and other items for Franchisee's personnel; (d) marketing set-up fee ("Marketing Set-Up Fee"); (e) technology set-up fee ("Technology Set-Up Fee"); (f) initial training fee (currently, $3,970 for your owners and Designated Manager) ("Initial Training Fee"); and bookkeeping fees ("Bookkeeping Fees"). Each of the fees set forth in this Section are deemed fully earned and non-refundable upon payment.

A. **Method of Payment; Bank Accounts.**

1. *Method of Payment.* With the exception of the Initial Franchise Fee (which should be paid by bank check or wire transfer), Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Upon Franchisor's written request, Franchisee must make all such payments described in this Section by bank or certified check.

2. *Use of EFT Account for Operational Funds.* Franchisee shall immediately deposit all revenues from the operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

B. **Access to Computer System**. Franchisor may, without notice to Franchisee, have the right to independently and remotely access any proprietary software program and the computer system that Franchisee is required to use in connection with the Franchised Business or will be required to use in the future (the "Computer System"), via the Internet other electronic means, in order to obtain any financial and/or Client information that is related to the operation of the Franchised Business, including without limitation, Gross Sales and

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Client contact and property information. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business, and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement.

C. **Operational Reports; Right to Modify Payment Interval**.

1. Franchisee shall provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales report no later than noon on Monday of each week for Gross Sales generated during the immediately preceding week detailing the information from the preceding week, including (a) Gross Sales of the Franchised Business, (b) Franchisee's calculated Royalty Fee, (c) Fund contributions (if applicable), (d) Cooperative contributions (if applicable), and such evidence that Franchisee has made its local advertising expenditures required by Franchisor under this Agreement, the Manual, policy, or otherwise in writing; (ii) on or before the twentieth (20^{th}) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within sixty (60) days of each calendar quarter, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the end of that calendar quarter; (iv) within sixty (60) days of Franchisor's request, a financial statement that details the total assets and liabilities of the Franchised Business (and, if appropriate Franchisee and personal guarantors under this Agreement); (v) within sixty (60) days after the close of each fiscal year of Franchisee, financial statements which must include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (vi) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request. Franchisor reserves the right to collect $200 for each report that is delinquent.

2. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be collecting these fees on a monthly rather than weekly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

3. Franchisee hereby grants Franchisor permission to report and distribute Franchisee's gross sales, gross sales mix, cost of material and labor and other certain expenses to other existing franchisees of Franchisor with such additional information as Franchisor may deem appropriate, including the identification of Franchisee, the location of Franchisee's franchised premises, and such other information as may make the gross sales/gross sales mix information a useful business aid to Franchisee and other franchisees of Franchisor. Franchisee will save and hold harmless Franchisor against and from any and all claims, liabilities,

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or suits resulting from or in connection with any acts or omission of Franchisor in the aforementioned reporting of sales.

E. **Late Payments**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of the greater of (i) one and a half percent (1.5%) per month, or (ii) the highest commercial contract interest rate as permitted by applicable law in the state where the Franchised Business is located, beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest shall be in addition to any and all other remedies Franchisor may have. Franchisee agrees to pay One Hundred Dollars ($100.00) for each check given or electronic transfer made to Franchisor that is dishonored, fails to process, or is returned.

F. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor, including, but not limited to, all required lodging taxes.

G. **Inability to Operate Franchised Business**. If Franchisee is unable to operate the Franchised Business due to damage or loss to the Premises and/or the Mobile Unit(s) and any equipment located thereon caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor will waive the Royalty Fee due under this Agreement for a period of time that Franchisor reasonably determines is necessary for the Franchised Business to repair the damage/loss to the Premises and resume operations (or relocate the Franchised Business to a different location within the Designated Territory), with said waiver period not to exceed ninety (90) days commencing from the date Franchisee gives Franchisor notice of the damage or loss.

5. DUTIES OF FRANCHISOR

A. **Initial Training**.

1. *Initial Training Prior to Opening Subject to Payment of the Initial Training Fee.* Franchisor will provide (a) its initial training program (the "Initial Training Program") to Franchisee, and (b) the appropriate components of the Initial Training Program to each additional individual that Franchisee expects or intends to engage provide certain Approved Services and Approved Products through the Franchised Business and Franchisee shall pay Franchisor the then-current initial training fee for each of these individuals. The parties agree and acknowledge that: (i) certain portions of the Initial Training Program will be provided by Franchisor remotely via telephone calls, webinars or other online learning management system/technology; (ii) other portions of the Initial Training Program must be attended and completed at Franchisor's headquarters or other designated training facility or "on-site" for the Franchisee for the time period Franchisor prescribes or otherwise approves; and (iii) Franchisee shall bear all its costs and expenses incurred by Franchisee and all other trainees in connection with the Initial Training Program, including without limitation, travel, lodging, meals, local transportation and wages for any personnel. Franchisor may also offer Franchisee

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training in connection with optional Approved Services and Franchisee may be required to pay Franchisor a training fee for such training.

2. *Replacement Personnel.* Franchisor will also provide the Initial Training Program or appropriate portions thereof to any replacement personnel that will serve as Franchisee's Designated Manager of the Franchised Business, provided Franchisee pays Franchisor's then-current training fee for such initial training (as well as any costs and expenses incurred) and subject to the schedule and availability of Franchisor's training staff.

3. *Training Pre-Conditions; Acknowledgement of Completion.* The parties agree and acknowledge that: (i) Franchisee must satisfy the training pre-conditions set forth in Section 6(N) of this Agreement and the Operations Manual (the "Training Pre-Conditions") before Franchisee or any of its personnel can attend any portion of the Initial Training Program that is provided at Franchisor's headquarters and/or other designated training facility; and (ii) upon completion of the Initial Training Program and/or any appropriate components thereof, Franchisee or the individual that completed such training may be required to sign an acknowledgement that it received such training from Franchisor consistent with this Agreement.

B. **On-Site Assistance.** Subject to Franchisee and its appropriate personnel attending and completing all necessary training to commence operations of the Franchised Business and satisfaction of all Training Pre-Conditions, Franchisor may provide on-site assistance at the Franchised Business or otherwise within the Designated Territory hereunder that typically lasts up to three (3) business days and is provided around the time that Franchisor approves Franchisee to commence operations of the Franchised Business. Franchisee shall be required to pay Franchisor the then-current training fee in connection with such on-site assistance.

C. **Additional and Refresher Training**.

1. *Required Additional Training.* Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its Designated Manager to attend up to five (5) days of additional training per year at Franchisor's headquarters, or any other location or through any other medium Franchisor designates ("Additional Training"). Franchisor may require Franchisee to pay its then-current training fee in connection with any Additional Training that Franchisor requires under this Section. Franchisee will be responsible for the costs and expenses incurred in connection with Franchisee and its designated personnel attending such training, which may take place at a training facility that Franchisor designates.

2. *Requested Additional Training and/or On-Site Assistance.* Franchisor may also provide Additional Training or other on-site assistance at Franchisee's reasonable written request, subject to: (i) the schedule and availability of Franchisor's training personnel; and (ii) Franchisee paying Franchisor's then-current training fee for each trainer that is provided in connection with the requested Additional Training, as well as Franchisee covering the costs and expenses that such personnel incur in providing such training. Franchisor will provide Additional Training under this Section as it deems appropriate in its discretion.

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3. *Remedial Training.* Franchisor may require Franchisee to attend up to five (5) days of remedial training that Franchisor reasonably determines Franchisee and appropriate personnel must undertake in response to (a) the failure of Franchisee or any other required personnel to sufficiently complete the Initial Training Program or any type of Additional Training that Franchisor requires under Section 5(C)(1) above, or (b) Franchisee's failure to operate the Franchised Business in accordance with the terms of the Franchise Agreement after Franchisor has provided Franchisee with written notice of such failure (each, an instance of "Remedial Training"). Franchisor reserves the right to charge its then-current training fee for any Remedial Training that is provided to Franchisee and/or its personnel at any location. Franchisee must cover the costs and expenses incurred by Franchisor and its personnel in providing such Remedial Training if such training is provided at a location other than Franchisor's headquarters.

D. **Manuals**. Franchisor will provide access to, or otherwise loan, Franchisee one (1) copy of the Manuals prior to the opening of the Franchised Business. Franchisor will also loan Franchisee a list of: (i) all furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and Approved Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Business, including membership programs and services. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee. Franchisor may also establish and maintain a website portal or other intranet for use by Franchisee and other Franchised Business owners (the "EverLine Coatings and Services Web Portal"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the EverLine Coatings and Services Web Portal. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manuals must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement

E. **Initial Marketing Assistance**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the Initial Marketing Spend (as defined and described more fully in Section 9 of this Agreement), which program will be conducted at Franchisee's expense.

F. **Continuing Assistance**.

1. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

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2. Franchisor may provide such assistance via telephone, fax, intranet communication, Skype or any other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.

3. Franchisor may make available to Franchisee information regarding any new product, service or suppliers or any updated methods of doing business.

4. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training tuition fee in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance).

G. **Review of Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

H. **Website**. For so long as Franchisor has an active website containing content designed to promote the EVERLINE COATINGS AND SERVICES brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement. The Website is discussed in greater detail in Section 9(H) of this Agreement.

I. **Email Addresses**. Franchisor will provide Franchisee with at least one (1) email address, which: (i) Franchisee is required to use in connection with the Franchised Business; and (ii) must be the only email addresses used in connection with the Franchised Business.

J. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Services that are provided at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.

K. **Inspections of the Premises and Mobile Units.** Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Premises and/or Mobile Units to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include: (i) inspections of the Premises and/or Mobile Units/Sales Vehicle and inspecting any and all books and records; (ii) conducting mystery shop services and/or inspections designed to evaluate the Approved Products and Approved Services provided by the Franchised Business and any pre-sale activities involved with the same. Inspections of the Premises and/or Mobile Units/Sales Vehicle will only occur during normal business hours and, with respect to the Premises, will only involve the physical area that is specifically devoted to the Franchised Business. Franchisee is solely responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations. Franchisor reserves the right to be reimbursed if Franchisee fails a mystery shop inspection.

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L. **Administration of Fund**. Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.

M. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site approval or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its designee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

N. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

O. **Pre-Opening Obligations Acknowledgement**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.

P. **Annual Conference**. Franchisor may establish and conduct an annual conference for all franchise owners and may require Franchisee (or its Designated Manager) to attend this conference, but for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages), and Franchisor reserves the right to require Franchisee to pay Franchisor its then-current convention contribution fee approximately 120 days prior to attending. Franchisee shall pay the then-current convention contribution fee upon demand whether or not Franchisee actually attends the annual conference. If Franchisee fails to attend the annual conference and pays Franchisor the convention contribution fee, Franchisee shall still be in default of this Section for its failure to attend the annual conference.

Q. **Regional Meetings and Third-Party Training**. In addition to the Initial Training Program, Franchisee and any other management personnel of the Franchised Business must, at Franchisor's discretion, attend regional meetings ("Regional Meetings") that are either hosted or organized by Franchisor, and Franchisee shall be solely responsible for all costs of attending such Regional Meetings, including (i) paying Franchisor's then-current attendance fee to Franchisor upon demand, (ii) travel and lodging for those attending the Regional Meetings, and (iii) employment expenses for those attending the Regional Meetings such as salary and other expenses. If Franchisee fails to attend any of the Regional Meetings, Franchisee shall pay Franchisor the then-current attendance fee upon demand, which shall not cure the default that arises by Franchisee's failure to attend any of the Regional Meetings. Franchisee and any other management personnel of the Franchised Business may be required, in Franchisor's discretion, to attend a training program that is conducted by one (1) or more of Franchisor's Approved Suppliers and designed to provide further instruction and training regarding the operation of the Franchised Business and

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provision of certain Approved Services (the "Third-Party Training"). If such Third-Party Training is required by Franchisor, then Franchisee will be: (i) required to pay the then-current Additional Training Fee, plus lodging and travel, for those that attend the Third-Party Training; and (ii) responsible for the costs and expenses associated with Franchisee and any other required trainees attending such training. If Franchisee fails to attend any of Third-Party Training, Franchisee shall pay Franchisor the then-current attendance fee upon demand, which shall not cure the default that arises by Franchisee's failure to attend any Third-Party Training. Once the Franchised Business is open, Franchisor will have the right to make this kind of Third-Party Training part of any Additional Training or Remedial Training that Franchisor may require under this Agreement.

6. DUTIES OF FRANCHISEE

A. **Securing a Premises**.

1. The parties agree and acknowledge that: (i) Franchisor expects and assumes that Franchisee will operate the Franchised Business, at least during its initial period of operations, from Franchisee's home office and/or residential property within the Designated Territory; and (ii) in the event Franchisee is not permitted by the applicable laws where its home is located from parking the Mobile Unit/Sales Vehicle and/or otherwise operating the Franchised Business, then Franchisee will be permitted to operate from a third-party premises that Franchisor previously approves in writing in the Designated Territory.

2. Regardless, Franchisee must secure a Premises for the operation of the Franchised Business within ninety (90) days of the execution of this Agreement that Franchisor approves in its sole discretion (if a Premises is not already identified and accepted by Franchisor at the time of execution of this Agreement).

B. **Lease.** If Franchisee is not operating from a home office and must enter into a lease for the Premises (the "Lease"), then Franchisor has the right to condition its approval of the proposed location on: (i) Franchisee and Franchisee's landlord executing a Collateral Assignment of Lease (attached as Exhibit C to this Agreement) granting Franchisor the right, but not the obligation, to assume the Lease upon: (i) Franchisee's default under the Lease; or (ii) the termination, transfer, or expiration of this Agreement. If Franchisor requires, the landlord under the Lease must expressly consent to the Collateral Assignment of Lease in writing.

C. **Build-Out of Premises and Time to Open**.

1. Franchisee must ensure the Premises complies with all applicable laws necessary to serve as the premises of the Franchised Business.

2. Franchisor must provide its prior written approval before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the Premises, Mobile Unit(s) and Sales Vehicle(s) prior to the opening date.

3. Should Franchisee fail to open the Franchised Business for operation within the prescribed period or, if applicable, within an extension of time approved in writing by Franchisor, this Agreement will be deemed terminated upon written notice from

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Franchisor to Franchisee, without the necessity of further action or documentation by either party.

4. If ever required by applicable law in connection with a third-party space that Franchisee determines to establish as the Premises of the Franchised Business demonstrated operational compliance through its initial period of operations, Franchisee shall use a qualified licensed, general contractor or construction supervisor to oversee construction or modification of the Franchised Business and completion of all improvements.

5. Franchisee must ensure the Premises is suitable for operations, complete all other pre-opening obligations under this Agreement and commence active operations no later than four (4) months from the date this Agreement is executed ("Opening Deadline").

6. If Franchisee fails to open the Franchised Business for operation before the Opening Deadline, Franchisor may, in its sole discretion, either terminate this Agreement upon written notice to Franchisee or grant Franchisee an extension of time in which to open the Franchised Business, which extension must be approved in writing by Franchisor. If Franchisor grants Franchisee an extension of time in which to open the Franchised Business, Franchisor may, in its sole discretion, require Franchisee to pay Franchisor a Non-Development Fee of $2,500 per month past the Opening Deadline.

D. **Licenses and Permits for Franchised Business**. Prior to actively soliciting prospective clientele and/or providing the Approved Services, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Premises and within the Designated Territory, including all required licenses and permits related to the offer and sale of Approved Products and Approved Services.

E. **Licensing Requirements for Personnel**. Franchisee must ensure that the applicable Approved Services provided at the Franchised Business are only conducted by individuals that have the necessary licenses and/or other certifications or approval, if any, necessary to provide the Approved Services at issue.

F. **Approved Products and Approved Services.** Franchisee must only offer and sell only the Approved Products and Approved Services at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Services and Approved Products are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Services or Approved Products from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

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G. **Mobile Units, Signs, and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Mobile Unit(s), Sales Vehicle, the Premises, and all equipment, fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. At Franchisor's request, which shall not be more often than once every five (5) years, Franchisee shall refurbish and upgrade the Mobile Unit(s), Sales Vehicle(s), and any equipment thereon, and other components of the Franchised Business at its expense, to conform to the design, trade dress, color schemes, and presentation of Proprietary Marks consistent with Franchisor's then-current standards and conditions for the System, including without limitation, redecoration, remodeling, and modifications to existing improvements, but specifically excluding vehicle wraps, lettering, and/or trade dress for those vehicles used in the operation of the Franchised business that may be updated more frequently (collectively, the "Vehicle Updates"). Franchisee shall have twelve (12) months from its receipt of Franchisor's request to complete the change, except that Franchisee is required to complete any Vehicle Updates within four (4) months of Franchisor's request.

H. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto.

I. **Other Required Items**. Franchisee must: (i) purchase, lease, and/or maintain any and all Required Items that Franchisor designates for use in connection with the Franchised Business that may include, without limitation, the Computer System, equipment, supplies, inventory; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items.

Franchisee shall cause the Mobile Unit(s) to be wrapped or painted in signage and artwork as approved by Franchisor prior to opening the Franchised Business. Franchisee agrees to maintain any Mobile Unit in good mechanical condition and an appearance that properly represents Franchisor's brand to the public and to improve vehicle appearance at the request of the Franchisor.

J. **Required Purchases of Inventory and Supplies**. Franchisee must purchase all inventory and supplies required to sell and provide the Approved Products and Approved Services, as well as thereafter maintain such inventory/supply levels, as Franchisee deems reasonably necessary and appropriate to meet current customer demand and any anticipated customer demand in the near future.

K. **Inspection of Items**. Franchisee shall permit Franchisor or its agents, at any reasonable time, to remove from the Franchised Business samples of items without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent, certified laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

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L. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor may charge an evaluation fee in connection with evaluating an alternative supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within 120 days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

M. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders in connection with the operation of the Franchised Business, including the any proprietary software used in connection with the System.

N. **Training Completion and Conference Attendance**.

1. Franchisee must ensure that Franchisee and, if appropriate, its Designated Manager and/or any other personnel that it wishes to provide Approved Services to the initial customers of the Franchised Business, must attend and successfully complete the

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Initial Training Program, or appropriate portions thereof as Franchisor approves, prior to opening the Franchised Business.

2. Franchisee agrees and acknowledges that Franchisor may require Franchisee and its personnel to complete the components of the Initial Training Program that are provided via remote participation within 30 days of the date this Agreement is executed.

3. Franchisee agrees and acknowledges that Franchisee must complete and/or satisfy the following Training Pre-Conditions before Franchisor will approve Franchisee or any of its designated trainees to attend the components of the Initial Training Program that are provided at Franchisor's headquarters or other designated training facility:

    i. payment of the then-current Initial Training Fee;

    ii. obtained Franchisor's approval of the business marketing plan and otherwise expending the required amounts on the marketing and pre-opening sales activities Franchisor designates, including the Initial marketing Spend;

    iii. undertake all steps to establish the EFT Account, as described in Section 4(B) of this Agreement, including providing Franchisor and/or its designee with all authorizations and approvals necessary to access such EFT Account;

    iv. demonstrate that Franchisee has obtained all required insurance coverages required by this Agreement and the Manuals; and

    v. provide Franchisor with completed copies of all agreements and contracts that are attached as Exhibits to this Agreement that are signed by Franchisee and/or appropriate third party(ies), to the extent such documents have not been signed, completed or need to be updated as of that date.

4. In addition to the Initial Training Program, Franchisee and any other management personnel of the Franchised Business may, at Franchisor's option, be required to attend a training program that is conducted by one (1) or more of Franchisor's Approved Suppliers and designed to provide further instruction and training regarding the operation of the Franchised Business and provision of certain Approved Services (the "Third-Party Training"). If such Third-Party Training is required by Franchisor, then Franchisee will be: (i) required to pay the then-current training fee for those that attend the Third-Party Training; and (ii) responsible for the costs and expenses associated with Franchisee and any other required trainees attending such training. Once the Franchised Business is open, Franchisor will have the right to make this kind of Third-Party Training part of any Additional Training or Remedial Training that Franchisor may require under this Agreement.

5. Franchisee must also ensure that Franchisee and if appropriate, its Designated Manager, attends and completes any Additional Training or Remedial Training that may be required pursuant to this Agreement.

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6. Franchisee agrees and acknowledges that it will be solely responsible for: (i) all costs associated with Franchisee and/or its designated personnel attending any initial or ongoing training provided by Franchisor or any third-party trainer pursuant to this Agreement; and (ii) paying Franchisor its then-current Training Fee for any (a) Additional Training requested by Franchisee, (b) Remedial Training that Franchisee is required to complete as part of its cure actions with respect to a default hereunder, or (c) any replacement or new personnel that needs to attend any portion of the Initial Training Program, as set forth in this Agreement.

7. Any failure by Franchisee, or its Designated Manager, to (a) attend and complete the Initial Training Program, or (b) any other training/conferences that such individual(s) are required to attend and/or complete hereunder will constitute a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement.

O. **Training of Personnel.** Franchisee or at least one (1) of Franchisee's personnel/Designated Manager that has successfully completed the entire Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the POS and computer system, as well as any other information that is relevant to each individual's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the entire Initial Training Program must manage the Franchised Business at all times.

P. **Hours of Operation**. Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing, and must ensure that the Franchised Business is sufficiently staffed.

Q. **Image**. Franchisee shall maintain the image of any Mobile Unit(s)/Sales Vehicle(s) and other equipment, as well as the Premises used in connection with the Franchised Business, at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that each Mobile Unit and Sales Vehicle and related components are routinely maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures used in connection with the Franchised Business remains in good, clean condition.

R. **Customer Lists and Data/Agreements; Privacy Laws**.

1. Franchisee must (i) maintain a list of all of its current and former Clients, as well as their properties and any Approved Services contracts associated therewith (the "Client Information"), at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information to Franchisor upon expiration or termination of this Agreement for any reason. This Client Information is deemed "Confidential Information" (as later defined in this Agreement) and Franchisor's exclusive property hereunder, including all Approved Services contracts with such Clients. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

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2. Franchisee agrees to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information ("Privacy Laws"). Franchisee further agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (i) comply with the requirements of applicable law; (ii) immediately give Franchisor written notice of said conflict; and (iii) promptly and fully cooperate with Franchisor in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

S. **Promotional Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines, including any promotional prices set by Franchisor for a particular Approved Product or Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of the Approved Products and Approved Services.

T. **Operation of Franchised Business, Customer Service, and Warranty Programs**. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints, and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing. Franchisee must issue the warranties to customers for all products and services sold or delivered by the Franchised Business that Franchisor prescribes in the Manuals or otherwise in writing (the "Warranty"). Franchisee must comply with the policies relating to Warranties that Franchisor designates from time to time. Franchisee must refrain from issuing or offering any Warranty of which Franchisor has not approved. Franchisor may require Franchisee to issue to customers and perform under an extended (either in duration or scope) Warranty (the "Extended Warranty"). Franchisee must comply with the policies and procedures relating to the Extended Warranty that Franchisor may specify in the Manuals or otherwise in writing. Franchisor may require that Franchisee deliver products or services in connection with Franchisee's performance under an Extended Warranty ("Extended Warranty Work") on the terms and conditions that Franchisor prescribes, including pricing. Franchisee's remuneration for Extended Warranty Work may be limited to an allocation of the revenue from customers' Extended Warranty purchases that Franchisor designates. Franchisee must not charge customers for Extended Warranty Work without Franchisor's prior written consent. Franchisor may require that Franchisee offer the Extended Warranty to customers only in connection with the Loyalty Membership Program. Franchisee must promptly, fully, and courteously perform under all Warranties, including all Extended Warranty Work, to Franchisor's reasonable satisfaction. Franchisor has the right, but not the obligation, to respond to and settle or otherwise resolve any warranty claims, to manage all disputes and

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to control all arbitration and litigation (including any settlement or other resolution) relating to Warranty claims as Franchisor deems appropriate. However, Franchisee must reimburse Franchisor for all fees, costs, and expenses that Franchisor incurs in connection with such warranty claims, disputes, arbitration, and litigation within 30 days of Franchisee's receipt of Franchisor's invoice.

U. **Access for Inspections/Audit**. To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (ii) allow Franchisor to inspect photograph, or videotape the Franchised Business, equipment, or operations therein; (iii) interview or survey personnel and Clients of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken) and take such steps as may be necessary to immediately correct the deficiencies detected during any such inspection. If Franchisor exercises any of these rights, Franchisor will use commercially reasonable efforts to not unreasonably interfere with the operation of the Franchised Business.

V. **Personal Participation by Franchisee**. Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager of whom Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept. If Franchisee engages a Designated Manager to manage the day-to-day operations of the Franchised Business, such Designated Manager must, by one (1) year after the Franchised Business opens for business, either (i) own ten percent (10%) of the equity interest in Franchisee and/or the Franchised Business or (ii) be granted a compensation package that grants the Designated Manager ten percent (10%) of the equity interest in Franchisee and/or the Franchised Business within a reasonable period of time. If Franchisee engages a Designated Manager, Franchisor suggests, but does not require, that Franchisee or Franchisee's principal owners spend at least ten (10) hours per week in supervising the Franchised Business.

W. **Credit Cards and Payment Methods**. Franchisee must accept credit cards in connection with the Franchised Business to facilitate sales, including Visa, MasterCard, American Express, and Discover and any other major credit cards designated by Franchisor. Franchisee may also accept cash and/or checks in connection with the Franchised Business. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards ("PCI DSS"), as such standards may be revised and modified by the PCI Security Standards Council (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Franchisee's requirements include, but are not limited to, implementing the enhancement, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

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X. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier.

Y. **Employment and Other Personnel Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges the ownership and/or right to use the Proprietary Marks is vested by Franchisor and/or its affiliates/principal, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises or Mobile Unit(s), a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, EVERLINE COATINGS AND SERVICES, under a license agreement with EverLine Franchising US, Inc."

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D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manuals, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, signage, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

F. Modification or Substitution of Marks by Franchisor. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages.

G. **Modification of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

H. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

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I. **Acknowledgements**. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

K. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

L. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

M. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

N. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with

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respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION

A. **Manuals**. Franchisor will loan or provide online access to one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

B. **Control of Franchised Business**. Franchisee acknowledges any Manual(s) provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, and are not intended to control day-to-day operation of Franchisee's Business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times, and that Franchisee will be responsible for the day-to-day operation thereof.

C. **Confidential Information**. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

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D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The Manuals;

2. Any customer data, including the names, contact information, customer preferences and any other information concerning users of the Approved Services, except for credit card numbers, bank information or other financial data related to the transaction of funds between the Franchisee and Clients (collectively, the "Customer Data");

3. Any and all information and materials, including all items covered by copyright or any other intellectual property, associated with any proprietary software used in connection with the system;

4. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a Franchised Business or the System that is not commonly known by, or available to, the public, including without limitation, any proprietary software; and

5. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information, which includes the Customer Data, and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Confidential**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Premises and

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be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Restrictive Covenant Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Restrictive Covenant Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Restrictive Covenant Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Restrictive Covenant Agreement within ten (10) days of Franchisor's request. If Franchisee is not able to provide a signed form for any Restricted Person within that 10 day period and Franchisee is not able to cure such a breach of its obligations by having that Restricted Person sign and return the Confidentiality and Restrictive Covenant Agreement, then Franchisor reserves the right to charge Franchisee a penalty fee amounting to $1,000 in additional to any other remedies that Franchisor may have under this Agreement or applicable law.

I. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

9. ADVERTISING

A. **Advertising and Sales Promotion Programs**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the Franchised Businesses operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the

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type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Approval for all Advertising/Promotional Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Initial Marketing Spend**. Franchisee must expend between $3,000 and $5,000 that will serve as the Initial Marketing Spend designed to promote the Franchised Business within the Designated Territory utilizing Franchisor's Approved Suppliers and/or specified System standards, practices and methodologies for initial marketing campaigns and efforts. The Initial Marketing Spend shall be expended in the four (4) weeks prior to Franchisee's contemplated launch through up to four (4) weeks beyond the initial launch of the Franchised Business.

D. **Local Advertising Requirement.** Franchisee shall comply with the following requirements in regard to local advertising:

1. Franchisee must expend one percent (1%) of the Gross Sales generated by the Franchised Business over the preceding reporting period on advertising and promoting the Franchised Business in the immediate locality surrounding the Franchised Business in accordance with the advertising/marketing plan that Franchisor approves (the "Local Advertising Requirement").

2. Franchisor reserves the right to require Franchisee to expend any portion of the Local Advertising Requirement on (a) products or services Franchisor directs or approves, or (b) services that Franchisee must acquire from an Approved Supplier (which currently includes Franchisor).

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3. Franchisor may require that Franchisee expend any portion of the Local Advertising Requirement on services, content and other products/items that must be purchased from one (1) or more Approved Suppliers, and (ii) collect the Local Advertising Requirement and pay such Approved Supplier directly as part of its support services and control rights described hereunder.

4. At Franchisor's option, Franchisee must ensure that: (i) the Franchised Business has a dedicated phone line for use in connection with the Franchised Business only; and (ii) the Franchised Business is listed in the appropriate Internet-based directories and Chamber(s) of Commerce that Franchisor designates. Franchisee shall obtain at least one (1) telephone number solely dedicated to the Franchised Business, which Franchisee shall assign to Franchisor, at Franchisor's option, upon termination, expiration, or transfer of this Agreement. Franchisee must list and advertise the telephone number(s) for the Franchised Business in the "White pages" telephone director and the classified or "yellow pages" telephone directory distributed in its trade area and under such categories as Franchisor may specify from time to time. Franchisee must place the classified directory advertisement and listings together with other Franchised Businesses operating within the distribution area of the directory. If a joint listing is obtained, all Franchised Businesses listed together shall pay a pro rata share of the cost of all advertisements and listings.

5. Furthermore, Franchisee shall obtain listings and/or advertise with Franchisor and other franchisees of the System on electronic yellow pages directory and other online directors as Franchisor may designate, including Google Local, Google Business, Angie's List or similar online directory. In the event Franchisee does not comply with Franchisor's requests regarding such online listings or advertisement, Franchisor reserves the right to place, modify, or remove such listings and advertisements on behalf of Franchisee. For any listings or advertisements that Franchisor posts on behalf of Franchisee due to Franchisee's non-compliance under this Section, Franchisee shall promptly pay, upon demand by Franchisor, its pro rata share of the costs of such listings or advertisements. Upon termination, transfer, or expiration of this Agreement, Franchisee agrees to take any and all steps necessary to assist Franchisor in removing or assigning control of all listing under this Section to Franchisor.

6. Franchisee may not advertise and promote the Franchised Business outside of the Designated Territory, unless (a) the geographic area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and that area has not been granted in connection with any other Franchised Business, and (b) Franchisor otherwise provides its prior written consent in writing. Nothing in this Section shall prevent or otherwise affect Franchisee's right to continue servicing and corresponding with any Existing Account that Franchisee has assumed in accordance with the terms of this Agreement.

E. **Brand Development Fund**. Franchisor has established a brand development Fund (the "Fund") designed to promote the System, Proprietary Marks and the brand generally. Franchisee is required to contribute the then-current fund contribution to the Fund, which is currently two percent (2%) of monthly Gross Sales as the "Fund Contribution." Franchisor reserves the right to increase the Fund Contribution to three percent (3%) of monthly Gross Sales. All payments by Franchisee to the Brand Development Fund are non-refundable upon payment, and Franchisor will account separately for all sums paid to the

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Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use the fund and all contributions to it and any earnings on it, for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, securing and managing national accounts, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Services.

2. Franchisor is not obligated to spend monies from Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of: maintaining, administering, directing, and preparing advertising, including any and all digital marketing/advertising content, as well as employing training, technology and/or other developmental tools designed to enhance the System and customer experience or that is otherwise associated with training tools designed to assist franchise owners. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, providing other marketing materials and services to the businesses operating under the System, and any other activities that Franchisor determines appropriate to develop the brand and/or System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those Franchisor allocates to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

4. Franchisor may spend all Fund contributions during Franchisor's fiscal year within which such contributions are made; however, Franchisor has no obligation or duty to do so. If excess amounts remain in any Fund at the end of such fiscal year, these excess amounts will roll over into the Fund for the following fiscal year.

5. Franchisor has the right to suspend or terminate the Fund at any time.

6. An unaudited accounting of the operation of the Fund shall be prepared annually and shall be available to Franchisee upon written request after the unaudited accounting is prepared at least 120 days after Franchisor's fiscal year end at issue. Franchisor retains the right to have the Fund reviewed or audited and/or reported on, at the expense of the Fund, by an independent certified public accountant selected by Franchisor, but Franchisor is under no obligation to do so.

7. Franchisee agrees and acknowledges that the Fund is not a trust and the Franchisor has no fiduciary duty to Franchisee in administering the Fund.

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F. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Franchised Businesses, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website**. Franchisor may establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. If Franchisor creates and includes any information about Franchisee on a website, then Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, Pinterest, Twitter or YouTube, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate. Franchisee must follow Franchisor's social media policies and directives as set forth in the Manuals, including the Policy and Procedures Manual and/or Marketing Manual.

H. **Cooperatives**. Franchisor may establish regional advertising cooperatives that are comprised of multiple Franchised Business owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in a weekly specified amount. All amounts paid to a Cooperative will be credited towards Franchisee's Local Advertising Requirement. Franchisor may specify the governing rules, terms and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the duration of this Agreement and for a period of at least three (3) years thereafter. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised

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Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files and data, including the any proprietary software used in connection with the System, at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business (or any amount due to Franchisor) by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) immediately pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

C. **Computer System for Records**. Franchisee shall record all transactions of the Franchised Business on a Computer System designated or approved by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4(C) of this Agreement.

D. **Computer System Files and Passwords**. Franchisee shall not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

E. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects related to Clients and/or properties that Franchisee is involved in or working with.

F. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

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G. **Right to Require Audit if Franchisee Underreports**. In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreporting the Gross Sales of the Franchised Business by two percent (2%) or more for any reporting period as described in Section 10(B), then Franchisor may require Franchisee to provide, at the Franchisee's expense, audited financial statements that comply with GAAP and GAAS for Franchisee's fiscal year within 120 days of Franchisee's fiscal year end.

H. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

11. INSURANCE

A. **Required Insurance**. Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time, with Franchisor having the right to designate such insurance coverage updates in the Manuals at any time upon written notice

Franchisee must buy insurance only from carriers rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any affiliate Franchisor designate as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Minimum Required Insurance.** All insurance must follow and qualify per the terms in Section 11.A of this agreement. The following are the minimum required amounts of insurance: (A) General liability, franchisee shall have no less than $1,000,000 over coverage per occurrence, Damage to Rented Premises of $50,000, Medical expenses of at

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least $5,000, Personal and Advertising Injury occurrences of $1,000,000, General Aggregate of $2,000,000, Product liability aggregate of $2,000,000, and an occurrence form. (If located within North Dakota, Ohio, Washington, & Wyoming you will be required to have Stop Gap); (B) Auto Liability, franchisee shall have no less than $1,000,000 of combined single limit, uninsured/ underinsured motorist coverage, Non-owned and hired auto for non-fleet coverage, and Any auto and owned auto for fleet locations or owned auto, scheduled auto, non-owned and hired auto coverage, and comprehensive and collision coverage with a Max deductible of $1,000; (C) Workers Compensation and Employers Liability, franchisee shall have no less than $1,000,000 of workers compensation and employment liability, this cannot exclude owners and operators, Stop gap required in monopolistic states, and short-term disability per state requirements; (D) Equipment Coverage/ Business Interruption, franchisee shall have no less than $150,000 of equipment coverage for (i) Line stripers, (ii) Steal Coaters, (iii) Crack filling setup, and (iv) Asphalt repair equipment and no less than $100,000 for Business interruption coverage; (E) Optional coverage. The following is optional coverage and recommended for the franchisee. An Umbrella policy of $1,000,000 per occurrence and $1,000,000 in the aggregate. Employment Practices Liability for $250,000 per occurrence and $250,000 in the aggregate, $25,000 max deductible, third-party liability included, and Wage and Hour included.

C. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This Franchised Business is independently owned and operated pursuant to a license agreement."

C. **Indemnification**.

1. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates (including any affiliate supplier), subsidiaries, employees, servants, agents, successors and assignees (each an "Indemnitee" and, collectively, the "Indemnitees"), harmless

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from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee shall have no obligation to indemnify or hold harmless any of the Indemnitees for losses to the extent that they are determined to have been caused solely and directly by such Indemnitee's negligence, willful misconduct, strict liability, or fraud.

2. Franchisee will be solely responsible for storing and preparing the Proprietary Products for use in connection with providing the Approved Services once those products are delivered to Franchisee. Franchisor will not be responsible or liable in connection with any claims involving how the Proprietary Products are prepared and/or used by Franchisee once they are delivered to Franchisee. Franchisee must indemnify and hold Franchisor (and/or its designated supplier) harmless in connection with any third-party claims or damages arising out of or related to claims involving how the Proprietary Products are prepared and/or used by Franchisee once they are delivered to Franchisee.

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval**. Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within six (6) months from the date of death, disability or incapacity (the "Six-Month Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation

of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the Six-Month Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously-approved acting interim manager to operate the Franchised Business during the Six-Month Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of the Franchisee that Franchisor approves of pursuant to Section 13(E).

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's ownership shares/stock or any increase in the number of outstanding shares/stock of Franchisee's ownership/membership units that results in a change of ownership; (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D) so long as there is no change in control (ownership or otherwise) with respect to Franchisee. Franchisee agrees and acknowledges that any Designated Manager is required to have a ten percent (10%) interest in the Franchised Business after twelve months (12) of the Franchised Business being in operation.

D. **Right of First Refusal.** If (a) Franchisee proposes to transfer any of its interest in this Agreement or the Franchised Business or any interest in its lease for the Premises, or (b) Franchisee's owners propose to transfer any interest in Franchisee if Franchisee is an entity (other than a corporation or limited liability company as set forth in Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), then Franchisee shall first offer to sell such interest to Franchisor on the same terms and

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conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of an agreement to faithfully perform all of Franchisee's obligations under this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

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6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee or transferee shall pay Franchisor a transfer fee equal to Ten Thousand Dollars ($10,000) per Designated Territory, except in the case of (i) a transfer to a corporation formed for the convenience of ownership, or (ii) for approved intra-family transfers or for a transfer which arises upon death or mental incompetency.

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program within the time frame Franchisor sets forth without paying an additional tuition fee, but the transferee will be responsible for all costs and expenses associated with attending the Initial Training Program;

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises; and

13. Franchisee or the transferee must pay Franchisor, at least five (5) days prior to completing the transfer, any and all third-party broker fees and commissions that Franchisor may incur because of the transfer due to referral contracts that Franchisor has with various franchise brokers and broker networks.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to

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the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) the entity at issue is wholly owned by Franchisee (and no other party); (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

H. **Franchisor's Resale Fee**. In addition to the other provisions of this Section 13, if Franchisor introduces a transferee to Franchisee and Franchisee sells, assigns, or otherwise transfers the Franchised Business or Franchisee's rights hereunder to the transferee introduced to Franchisee by Franchisor, then Franchisee shall pay Franchisor the greater of ten thousand dollars ($10,000) or ten percent (10%) of the sale price of the Franchised Business (the "Resale Fee"). Franchisee shall pay Franchisor the Resale Fee on the date that Franchisee closes on the transfer described herein, and Franchisor may condition its consent to any applicable transfer on Franchisor's receipt of the Resale Fee.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Designated Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other business that: (i) offers, provides or sells products or services, whether to commercial, industrial, residential, private or public customers, in connection with (a) exterior and interior line pavement marking, painting of parking garages, offices and industrial areas, parking lot striping, new striping layout, re-striping existing parking lots, line removal, custom striping and stenciling, and asphalt and concrete pavement maintenance (including, without limitation, sealcoating, crack-filling, crack-sealing, repair, parking lot pressure washing, sign and parking lot accessory installation, specialty epoxy flooring, and other maintenance services and products), and/or (b) any kind of the Approved Products or the Approved Services that are offered or provided by the Franchised

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Business and/or other Businesses (each, a "Competing Business"); or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (y) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (z) any business operated by a publicly-traded entity in which Franchisee owns less than a two percent (2%) legal or beneficial interest; or

2. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **After the Term of this Agreement.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

   a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

      i. within any Designated Territory awarded under this Agreement or Multi-Territory Addendum;

      ii. within a twenty five (25) mile radius of any Designated Territory awarded under this Agreement or Multi-Territory Addendum;

      iii. within a twenty five (25) mile radius of any System franchised business that is open and operating as of the date this Agreement expires and/or is terminated; or

      iv. within a twenty five (25) mile radius of any other designated territory that has been granted by Franchisor or its affiliates in connection with a System franchised business as of the date this Agreement expires

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and/or is terminated, regardless of whether a Franchised Business is open and operating in that designated territory.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

D. **Confidentiality and Restrictive Covenant Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, as well as any officers and directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Restrictive Covenant Agreement (which will be in substantially the same form as the document attached to the Franchise Disclosure Document). Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

A. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

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2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination upon Notice**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation made in Franchisee's franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

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6. If Franchisee misuses the any proprietary software that Franchisor designates for use in connection with the Franchised Business;

7. If Franchisee or any of Franchisee's principals default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within four (4) months of signing this Agreement or as such deadline may be extended by Franchisor pursuant to Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's Computer System as required under this Agreement, and fails to remedy this default within forty-eight (48) hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates, any of its Approved Suppliers or any Client any amount that is due and owing that party within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

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15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the reasonable opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period;

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers; or

20. If Franchisee, on three (3) or more occasions, fails to comply with the standards and specifications set forth in the Manuals during any eighteen (18) month period, whether or not these failures were timely cured.

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Loss of Designated Territory**. Notwithstanding the foregoing, if Franchisee is in default of this Agreement pursuant to Section 6(Z), Franchisor may, in its sole discretion and as an alternative to terminating this Agreement, elect to reduce the size of Franchisee's Designated Territory and own and operate, or license another to operate, additional Franchised Businesses in the Designated Territory. In the event Franchisor elects to reduce Franchisee's Designated Territory and/or terminate Franchisee's exclusive rights therein, Franchisor will provide Franchisee with written notice thereof. Upon receipt of such notice, Franchisee will have ten (10) calendar days to execute an addendum to this Agreement detailing the revised boundaries of the Designated Territory and/or termination of exclusive rights therein. If Franchisee does not execute this Addendum with the prescribed time period, then Franchisor may, at its option, immediate terminate this Agreement upon notice to Franchisee.

E. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any),

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then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to eight percent (8%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Franchised Business; Cease Affiliate with Franchisor and Brand Generally**. Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. If this Agreement is terminated for cause by Franchisor, then Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of a Franchised Business (unless Franchisor agrees otherwise in writing);

B. **Return Manuals and Confidential Information**. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including all Client lists and Approved Services agreements) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

C. **Assignment of Approved Services Contracts, Telephone/Facsimile Numbers and Domain Names**. Take such action as may that Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date (a) Client and property lists, and (b) any Approved Services contracts and other agreements between Clients and the former Franchised Business; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the former Franchised Business, as well as any white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F;

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D. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System, including, without limitation:

1. Removing all trade dress, then Franchisee must remove physical characteristics, color combinations, and other indications of operation under the System from the Premises and from the Mobile Unit(s) (and provide documentation thereof to Franchisor as set forth in Section 16(G) below).

2. Upon Franchisor's request, providing all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor; and

E. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

F. **Payment of Amounts Due**. Pay Franchisor, as well as each of Franchisor's Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within 10 days of the termination or expiration date.

G. **Written Evidence of Compliance**. Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and

H. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's operating assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

I. **Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the name "EVERLINE COATINGS" or "EVERLINE COATINGS AND SERVICES" or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow

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pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

17. TAXES AND INDEBTEDNESS

A. **Taxes**. Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, lodging, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

B. **Debts and Obligations**. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by the Franchisor that all franchise agreements heretofore or hereafter issued by Franchisor in connection with a Franchised Business do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

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E. **No Disclaimers of Franchise Disclosure Document**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor has made in the franchise disclosure document.

19. ENFORCEMENT

A. **Injunctive Relief**. The Franchisor or its designee shall be entitled to obtain without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Proprietary Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the franchise and ownership interests in Franchisee or in order to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of businesses operated under the System, which constitutes a danger to other franchise owners, employees, customers, or the public or which may impair the goodwill associated with the Proprietary Marks.

B. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

C. **Costs and Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor: EverLine Franchising US, Inc.
Attn: John Evans, CEO and President
9960 Bammel North Houston Road
Houston, Texas 77086

To Franchisee: _____

_____

_____

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Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to this state's conflict of laws principles.

B. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21(G) of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21(B) above, will be submitted first to mediation to take place in Harris County, Texas, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions

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of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue**. Subject to Sections 21(C) and 21(D) above, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction in Harris County, Texas or, if appropriate, the United States District Court for the Southern District of Texas. Franchisee acknowledges that this Agreement has been entered into in the State of Texas, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's presence in Texas, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Texas as set forth in this Section.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, owners, members, managers, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

I. **Limitation of Actions**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a

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ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

J. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

K. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

L. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee

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without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

B. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

~~A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the franchise disclosure document ("FDD"), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.~~

~~B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.~~

~~C.~~A. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[The remainder of this page is intentionally left blank.

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Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

Date: _____

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

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EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. PREMISES

Pursuant to Section 2(B) of the Franchise Agreement, the Franchised Business shall be located at the following home office or other approved Premises:

_____

_____

_____

3. DESIGNATED TERRITORY

Pursuant to Section 2(C) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

_____

_____

_____

_____

ARE THE PARTIES EXECUTING A MULTI-TERRITORY ADDENDUM?

☐ YES

☐ NO

4. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Cellular Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

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5. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on this ____ day of _____, 20____.

FRANCHISEE

_____

By: _____

Name:_____

Title:_____

FRANCHISOR

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

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EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to EVERLINE FRANCHISING US, INC. (the "Franchisor") that you are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named _____ (the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing EVERLINE COATINGS AND SERVICES Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a Franchised Business (each, an "Franchised Business") and/or franchise (each, a "Franchised Business"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business (v) knowledge of the operating results and financial performance of other Franchised Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional

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manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); (ix) information generated by, or used or developed in, a Franchised Business's operation, including client names, properties and related contracts of any kind, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system or proprietary software system; (x) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xi) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective client information, including customer names and addresses, contracts/agreements (collectively "Client Information"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that offers, provides, manufactures, distributes, or sells any kind of products and services in connection with any business that: (i) offers, provides or sells products or services in connection with (a) parking lot striping, new striping layout, re-striping existing parking lots, line removal, and custom striping and stenciling, and (b) any kind of the Approved Products or the Approved Services that are offered or provided by the Franchised Business and/or other Businesses (each, a "Competing Business"); and/or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of an EVERLINE COATINGS AND SERVICES franchise pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company;

1.2. Subject to and as permitted by applicable law, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee,

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or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. **After the Term of the Franchise Agreement and this Guaranty.**

2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date the Franchise Agreement is terminated or expires.

2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1 Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

(i) within the Designated Territory(ies);

(ii) within a twenty five (25) mile radius of the Designated Territory(ies) or;

(iii) within a twenty five (25) mile radius of any Franchised Business that is open or under development as of the date the Franchise Agreement expires and/or is terminated; or

(iv) within a twenty five (25) mile radius of any other designated territory or additional territory that has been granted by Franchisor or its affiliates in connection with a Franchised Business as of the date the Franchise Agreement expires and/or is terminated, regardless of whether a Franchised Business is open and operating in that designated territory or additional territory; or

2.2.2 Subject to as permitted by applicable law, solicit business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, nor solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein

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shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Texas.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, in Harris County, Texas under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue**. Subject to Sections 3 and 4 above, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to

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conclusion (unless settled) only in any court of competent jurisdiction located in Harris County, Texas or, if appropriate, the United States District Court for the Southern District of Texas. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty will prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES/AGENTS/REPRESENTATIVES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then Franchisor will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

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12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

_____	_____
[Insert Signature of Guarantor]	[Insert Signature of Spouse]
_____	_____
[Insert Signature of Guarantor]	[Insert Signature of Spouse]

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EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made, entered into and effective on this ___day of _____, 20____ Effective Date,") by and between: (i) EVERLINE FRANCHISING US, INC., a Texas corporation, with its principal business address at 9960 Bammel North Houston Road, Houston, Texas 77086 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the "Franchise Agreement") dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate an EVERLINE COATINGS AND SERVICES franchised business (the "Franchised Business") located at _____ (the "Site"). In addition, pursuant to that certain Lease Agreement (the "Lease"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the "Lessor"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be

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deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the

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applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

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IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISEE	**FRANCHISOR**
By:_____	**EVERLINE FRANCHISING US, INC.**
Name:_____	By: _____ John Evans, CEO and President

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

_____

By: _____
Name:_____
Title:_____
Date:_____

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EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, **[Franchisee Name]** (the "Franchisee") hereby authorizes EVERLINE FRANCHISING US, INC. (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated _____(the "Franchise Agreement") for the franchised business located at: _____ (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions, Initial Marketing Spend, and Local Advertising Requirement, as well as other advertising/marketing amounts that Franchisee is required to expend in connection with the Franchised Business; (iii) any amounts due and owing the Company or its affiliates in connection with technology, marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISEE

[INSERT FRANCHISEE NAME]

By: _____

Name (Print): _____

Its: _____

FRANCHISOR APPROVAL

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

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EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

(for Designated Mangers and other management personnel, as well as any officers, directors, or owners of the Franchisee that did not sign the full Personal Guaranty)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from EVERLINE FRANCHISING US, INC. (the "Company" or "Franchisor") to: (i) establish and operate a franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of Franchised Business businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Manuals and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manuals"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other Franchised Businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of Franchised Business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manuals, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has

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become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that: (i) is a parking lot striping service business that is similar to the Franchised Business and/or that features, offers and/or sells products and services similar to the those offered and sold by the Franchised Business and/or other EVERLINE COATINGS AND SERVICES franchises (a "Competing Business"); or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more Competing Businesses. I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 25 mile radius of the Premises; or (ii) within a 25-mile radius of any other Franchised Business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this two (2) year period following the termination or expiration of my employment with the Franchisee.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the

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Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF **[INSERT STATE WHERE FRANCHISEE IS LOCATED]** AND MYSELF HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURT CLOSEST TO THE PREMISES OF THE FRANCHISED BUSINESS OR, IF APPROPRIATE, THE FEDERAL COURT CLOSED TO SUCH PREMISES. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY **[INSERT STATE]** OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

16. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

For notices to Franchisor, the notice shall be addressed to

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EVERLINE FRANCHISING US, INC.
Attn: John Evans, CEO and President
9960 Bammel North Houston Road
Houston, Texas 77086

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____

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EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. _____, doing business as Franchised Business (the "Assignor"), in exchange for valuable consideration provided by EVERLINE FRANCHISING US, INC. (the "Assignee"), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its EVERLINE COATINGS AND SERVICES franchised business located at _____ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____
Facsimile Number(s): _____
Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): _____
_____.

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

BY: _____ Date: _____

TITLE:_____

ASSIGNEE

EVERLINE FRANCHISING US, INC.

BY: _____
John Evans, CEO and President

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EXHIBIT C TO
FRANCHISE DISCLOSURE DOCUMENT

MULTI-TERRITORY ADDENDUM

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MULTI-TERRITORY ADDENDUM

THIS MULTI-TERRITORY ADDENDUM (the "Addendum") is made and entered into on _____ (the "Effective Date") by and between: (i) EverLine Franchising US, Inc., a Texas corporation with a business address at 9960 Bammel North Houston Road, Houston, Texas 77086 ("Franchisor"); and (ii) _____, a _____ with its principal place of business at _____ (the "Franchisee").

with its principal place of business at

(the "Franchisee").

BACKGROUND

A. Contemporaneous with the execution of this Addendum, Franchisee and Franchisor entered into a franchise agreement (the "Franchise Agreement"), which is incorporated herein by reference as if more fully set forth herein, and pursuant to which Franchisee obtained the right and undertook the obligation to operate an EverLine Coatings and Services franchised business (the "Franchised Business") using Franchisor's proprietary marks (the "Proprietary Marks") within a defined geographical area as set forth more fully therein ("Designated Territory").

B. Franchisee has requested the right to acquire one or multiple geographical areas described in Schedule 1 to this Addendum (each, an "Additional Territory") wherein Franchisee will have the right and obligation to actively operate the Franchised Business and solicit prospective clientele and, consistent with Franchisor's current franchise disclosure document ("FDD"), Franchisor is willing to award an Additional Territory or multiple Additional Territories to Franchisee.

C. Franchisor and Franchisee now wish to memorialize the foregoing, as well as the fact that (a) each Additional Territory will be deemed a "Designated Territory," as that term is defined and referenced throughout the Franchise Agreement, and (b) all terms of the Franchise Agreement applicable to such a "Designated Territory" shall apply to the Franchisee's ownership and operation of the Franchised Business within the Additional Territory, subject to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Background; Definitions; Acknowledgement.**

a. The parties agree and acknowledge that the Background portion of this Addendum, including all definitions, representations and provisions set forth therein, is hereby incorporated by reference as if set forth in this Section.

b. For purposes of this Addendum, if a capitalized term in this Addendum is not specifically defined herein, that term will be given the same definition that the term is afforded in the

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Franchise Agreement, as applicable.

c. The parties agree and acknowledge that the term of this Addendum will expire at the same time as the Franchise Agreement.

2. **Multi-Territory Fee in Addition to Initial Franchise Fee.** Upon execution of this Agreement, Franchisee shall pay Franchisor a fee in addition to the Initial Franchise Fee set forth in the Franchise Agreement equal to _____ (the "Additional Territory Fee") as consideration for Franchisor granting Franchisee the right to operate the Franchised Business within _____ Additional Territory(ies). The Additional Territory Fee will be due and payable in a lump sum immediately upon execution of this Addendum. The parties agree and acknowledge that the fee described in this Section is deemed fully-earned upon payment, and is not refundable under any circumstances. The Additional Territory Fee is calculated pursuant to the table below:

Additional Designated Territory being Awarded	Territory Fee	Total Fee Due Under Multi-Territory Addendum
2nd	$40,000	$40,000
3rd	$35,000	$75,000
4th	$30,000	$105,000
5th	$30,000	$135,000
6th	$30,000	$165,000
7th	$30,000	$195,000
8th	$30,000	$225,000
9th	$30,000	$255,000
10th (and each additional)	$30,000	$285,000

3. **Right to Operate within Additional Territory(ies).** Subject to Franchisee's payment of the Additional Territory Fee, Franchisee will have the right to operate the Franchised Business within the Additional Territories set forth and/or demarcated in Schedule 1 to this Addendum. Except as provided in this Addendum and/or Franchisor's then-current Manuals, Franchisee will have the right and obligation to commence operations of the Franchised Business within the Additional Territory(ies) detailed in Schedule 1: (i) immediately upon execution of this Addendum if the Franchised Business has already commenced operations; or (ii) if the Franchised Business has not yet commenced operations as of the date this Addendum is signed, immediately upon Franchisee's launch of the Franchised Business in accordance with the terms of the Franchise Agreement.

4. **Initial Training Program Obligations.** Franchisee is only required to attend and complete Franchisor's Initial Training Program described more fully in Section 5(A) of the Franchise Agreement once in connection with the Franchised Business governed by this Addendum, and Franchisor is not obligated to provide such Initial Training Program to Franchisee once Franchisee or its operating principal has completed such initial training. In the event Franchisee determines to utilize a Designated Manager in connection with the operation of the Franchised Business in any Designated Territory, including any Additional Territory awarded hereunder, then Franchisee must ensure that said Designated Manager completes all required initial training prior to that individual undertaking any management responsibilities in connection with the operation of the Franchised Business. All other provisions regarding Franchisee's training obligations in the Franchise

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Agreement are hereby ratified and confirmed.

5. **Minimum Royalty Fee; Reporting Obligations for Each Additional Territory.**

a. Franchisee agrees and acknowledges that, according to Section 2.1 of the Franchise Agreement, once the Franchised Business is open and operating (and/or required to be open and operating under the Franchise Agreement), Franchisee will pay Franchisor a continuing monthly royalty fee in an amount equal to six percent (6%) of Franchisee's actual Gross Sales generated by Franchisee's Franchised Business during the preceding month across all Designated Territories, including each Additional Territory awarded hereunder (the "Royalty Fee").

b. Franchisee agrees and acknowledges that the total number of Designated Territories, including each Additional Territory awarded hereunder, shall determine Franchisee's Minimum Royalty pursuant to Section 2.3 (and the subparagraphs thereof) of the Franchise Agreement.

c. Franchisee agrees and acknowledges that it will take all steps necessary to ensure that Franchisee provides Franchisor with separate Gross Sales Reports and other financial report(s) with regards to the Franchised Business operations for each Designated Territory/Additional Territory wherein Franchisee has the right to operate the Franchised Business, as and when such reports are due to Franchisor under the Franchise Agreement.

6. **Required Items Associated with Multi-Territory Operations; Reporting Obligations.** Franchisee agrees and acknowledges that its operation of the Franchised Business within the Additional Territory(ies) granted hereunder may require Franchisee to acquire additional equipment, supplies, tools, labor and personnel as the Franchised Business expands ("Required Items"). Franchisee agrees that it must acquire such additional Required Items as Franchisor designates or otherwise requires in the Manuals or other System-wide writing.

7. **Transfer Fee.** Franchisor and Franchisee agree and acknowledge that if Franchisee wishes to sell or otherwise transfer its right to operate in the Designated Territory or an Additional Territory that Franchisee will be required to pay the transfer fee of Ten Thousand Dollars ($10,000) (the "Transfer Fee") in connection with each Designated Territory or Additional Territory it wishes to sell or transfer to a third party approved by Franchisor and according to the terms and conditions of the Franchise Agreement. The Transfer Fee shall be implemented for each transfer that occurs.

8. **Renewal Fee.** Franchisor and Franchisee agree and acknowledge that if Franchisee wishes to renew its right to operate in the Designated Territory or an Additional Territory that Franchisee will be required to pay the renewal fee of Ten Thousand Dollars ($10,000) (the "Renewal Fee") in connection with each Designated Territory or Additional Territory it wishes to renew in accordance with the terms of the Franchise Agreement.

9. **Default / Termination.** In the event the terms and conditions of the Franchise Agreement are violated or breached via Franchisee's operations of the Franchised Business within the Designated Territory or any Additional Territory, that violation/breach will constitute the applicable default(s) set forth in the Franchise Agreement generally, with Franchisor having all rights

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and remedies associated with such default(s).

10. **Transfer.** Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Addendum in Franchisor's sole discretion. Franchisee may not transfer its rights under this Addendum without complying with all transfer terms and conditions set forth in the Franchise Agreement generally.

11. **Terms of Franchise Agreement Applicable to Operations in Additional Territory(ies).** The parties agree and acknowledge that, except as specifically provided in this Addendum, each and every obligation, representation and/or covenant on the part of Franchisee under the Franchise Agreement will apply to the operation of the Franchised Business in the Additional Territory(ies) as if such territory(ies) were each designated as an additional "Designated Territory" in the Data Sheet to that Franchise Agreement.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to this state's conflict of laws principles.

13. **Venue; Forum; Jurisdiction; Dispute Resolution.** Franchisor and Franchisee agree and acknowledge that the venue, forum, jurisdiction, dispute resolution and all other enforcement-related provisions of the Franchise Agreement shall also apply to this Addendum.

14. **Ratification of Franchise Agreement.** Except as amended by this Addendum, any and all other terms and conditions set forth in the Franchise Agreement is hereby ratified and confirmed as if fully restated herein.

15. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the subject matter set forth herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.~~**Franchise Questionnaires and Acknowledgements.**~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~15. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the subject matter set forth herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.~~

THE REST OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK
SIGNATURE PAGE TO THIS ADDENDUM ON THE FOLLOWING PAGE

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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

Date: _____

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

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SCHEDULE 1
ADDITIONAL TERRITORY(IES)

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EXHIBIT D TO
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS FOR OPERATIONS MANUAL

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TABLE OF CONTENTS ~~Digital Content~~
Digital Content

EverLine Coatings and Services ..... (1)

Our Company ..... (13 pages)

About Us
Founder's Letter ..... (1 page)
DRIVEN Principles ..... (1 page)
Mission/ Vision ..... (1 page)
Who we Are ..... (7 pages)
Core Quality Systems ..... (2 pages)
EverLine History ..... (1 page)

Requirements and Conduct ..... (9 pages)

Franchise and Franchisor Expectations ..... (2 pages)
Administrative Requirements ..... (2 pages)
Digital Organization & Digital Management ..... (4 pages)
Referral Program ..... (1 page)
Brand Guide ..... (23 slides)
Social Media Policy ..... (2 pages)
Power Zone Podcast ..... (51 episodes)

Our Business ..... (3 pages)

Tech Stack & Key Systems/-Resources ..... (3 pages)

Our Services ..... (105 pages)

Product Knowledge ~~..... (1 pages~~ ..... (1 page)
Line Painting ..... (15 pages)
Pavement Maintenance ..... (25 pages)
Suppliers ..... (3 pages)
Sales & Marketing ..... (19 pages)

Operations ..... (263 pages)

Project Management ..... (5 pages)
Job Site Management ..... (2 pages)
Shop Management ..... (14 pages)
Line Painting Operations Guide ..... (79 pages)
Pavement Maintenance Operations Guide ..... (80 pages)

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Power Washing Operations Guide (10 pages)
Parking Lot Accessories Operations Guide (17 pages)
Epoxy Flooring Operations Guide (57 pages)
Health & Safety Program (5 pages)

Administrative (76 pages)

Entrepreneurial Operations System (10 pages)
Human Resources (11 pages)
Accounting (55 pages)

Roles Road (18 pages)

Sales Department (1 page)
Marketing (1 page)
Sales & Estimating (7 pages)
Industry Research & Expansion (4 pages)

Operations Department (34 pages)

Project Management (9 pages)
Production (4 pages)
Training (7 pages)
Safety (8 pages)
Maintenance (5 pages)

Administration Department (21 pages)

Human Resources (6 pages)
Office Management (3 pages)
Accounting (8 pages)
Business Planning (3 pages)

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EXHIBIT E TO
FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT AND FORMER FRANCHISEES

A. Current Franchisees with Open Franchised Businesses as of December 31, 2023

Territory State	Name	Address	Phone Number
Alabama	Daughety, Dennis; Reid, Heath; McGill, Max	1704 Wingfield Circle Birmingham, AL 35242	205-442-5661
Arizona	Linthicum, Michael & Nancy	20540 West Nelson Place Buckeye, AZ 85396	785-706-1021
Arizona	Zohoun, Elie-Francois Dave	2660 East Augusta Ave Gilbert, AZ 89298	832-293-0040
Arizona	Vollendorf, Sean	9 East Caroline Lane Tempe, AZ 85284	479-283-9694
Arizona	Kinder, Rob & Dylan	1273 W Molinetto Dr. Oro Valley, AZ 85755	520-200-7121
Arkansas	Reith, Jerome & Amy	1088 East Lake Road Springdale, AR 72762	479-871-8363
California	Barile, John & McClure, Matt	7635 Cullen Street San Diego, CA, 92111	619-320-5249
Colorado	LaPointe Holdings Inc (LaPointe, Nicholas)	P.O. Box 880803 Steamboat Springs, CO 80477	301-401-5380
Colorado	Collins, Stephen	823 Yellow Pine Avenue Boulder, CO 90304	303-809-3346
Colorado	Ossenfort, Logan	340 Toronto Street Fort Collins, CO 80524	605-484-2631
Florida	Diligent Coatings LLC (Sellick, Greg)	196 Warren St. NE Atlanta, GA 30317	772-215-5853
Florida	Volkmann, Ronald Jr.	1203 Alfred Lane Mullica Hill, NJ 08062	856-693-6685
Florida	Macon, Thomas	8 Pine Pass Drive Ocala, FL 34472	440-453-4724
Florida	Suarez, James	1325 13th Terrace Palm Beach Gardens, FL 33418	561-722-2193
Florida	Szkolnik, Eduardo & John	20900 NE 30th Ave. Suite 200-28 Aventura, FL 33180-2100	954-228-5117
Georgia	Buchanan, George & Cicely	8235 Royal Saint Georges Lane Duluth, GA 30097	404-398-4430
Georgia	Harmon, Reginald & Deven	4619 Sweetwater Avenue Powder Springs, GA 30127	812-219-5466
Idaho	Smith, Michael & Amanda	1477 S Galaxy Way Boise, ID 83712	208-514-3019
Indiana	Indy Pavement Services LLC (Mnatzaganian, Krikor & Darlene)	605 Sheridan Road Suite 1108 Noblesville, IN 46060	317-420-5906
Iowa	Cross, Ames Carl & Schweinefus, Trevor	12812 Timberline Drive Urbandale, IA 50323	515-402-7349
Kansas	Van Brunt, Michael & Kathleen	405 W. Park Street Hamilton, MO 64644	816-646-1614
Kansas	Maples, Tahnee & David	3428 N Emporia Wichita, KS 67219	316-202-8372
Louisiana	Hartley, Jay, Christine, & Shana	15206 Blue Thistle Cypress, TX 77433	281-608-8920
Massachusetts	Broheem LLC (Cahill, Nathaniel)	33 Commercial St., 2nd Fl. N. Gloucester, MA 01930	617-312-5638
Michigan	Laskowski, Jon & Kellie	7041 40th Ave Hudsonville, MI 49426	616-706-8502
Michigan	Smith, Robert & Lauren	1140 Lake Park Drive Birmingham, MI 48009	248-302-1516
Minnesota	Penn Avenue Parking Lots LLC	6708 Danbury Curve	651-500-1651

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	(Samson, Michael)	Shakopee, MN 55379	
Missouri	Haid, Angie & John	1816 Loehr Estates Court Baldwin, MO 63021	636-346-4940
North Carolina	Rizwan, Muhammad	282 Preston Road Mooresville, NC 28117	917-618-9498
North Carolina	Williams, Justin	304 Apricot Circle Morrisville, NC 27560	917-626-5186
North Carolina/ South Carolina	Bacha, Robert & Hahn, Ryan	738 Cedarwood Dr Rostraver Twp., PA 15012	704-962-7647
Nebraska	Gille, Christopher & Carey	3101 N 117th Street Omaha, NE 68116	402-216-8320
Ohio	Ramani, Shankar	10011 Oakridge Drive Wexford, PA 15090	732-425-8832
Ohio	Mager. Aaron & Daniel	14905 Dickens Street Apartment 2 Sherman Oaks, CA 91403	618-709-3570
Ohio	Penn & Harley Enterprises, LLC (Singler, James)	8050 Hosbrook Road Suite 100 Cincinnati, OH 45236	513-227-3017
Ohio	Wise, Christopher	21 East Oak Street Canal Winchester, OH 43110	614-271-6455
Oklahoma	Roark, Adam & Lana Jo	19650 S Wayne Road Claremore, OK 74017	918-607-8504
Oklahoma	Clayborn, Casey & Cheyenne, Christian	PO Box 894 Pauls Valley, OK 73075	405-215-9295
Pennsylvania	Ramani, Shankar	10011 Oakridge Drive Wexford, PA 15090	732-425-8832
Pennsylvania	Turkovic Coatings and Services Inc (Turkovic, Holly)	1211 McClelland Drive McKeesport, PA 15133	865 207 2331
South Carolina	Mimms, Melissa & Charles	5906 Timle Lane Columbia, SC 29206	803-409-8994
South Carolina	Coastal Coatings and Lining, Inc (Schiavone, Andrew)	509 Linden Circle Charleston, SC 29407	757-291-6314
Tennessee	Phillips, Tony & Elizabeth	110 Villa View Court Brentwood, TN 37027	615-418-7981
Tennessee	Lubaway, Bryan	7953 Chianti Way Chattanooga, TN 37421	423-681-0006
Texas	11820 Partners LLC (Isais, Ricardo Jr)	11820 Hampstead Lane Dallas, TX 75230	214-205-6301
Texas	Bowser, Ron	9802 Asheboro Street Frisco, TX 75035	972-467-0795
Texas	Herrington, Douglas & Carlton, Mark	1111 Deertrail Drive San Marcos, TX 78666	512-645-9971
Texas	LK Heritage Inc (Leonardo Anaya-Ortiz)	20310 Hillbrook Park San Antonio, TX 78259	206-931-4612
Texas	May, Tobbie	9121 Sunpool Schertz, TX 78154	480-688-5971
Texas	ABTY Corporation, Inc. (Finnie, Buddy)	310 Riverdale Road Sunnyvale, TX 75182	972-400-7375
Texas	Jerrett Turner	9960 Bammel North Houston Road Houston, TX 77086	214-770-1921
Texas	Line Craft and Services Inc. (Fadesere, Peter & Jane)	26614 Grey Peregrine Drive Katy, TX 77494	540-314-0941
Texas	Mussell, Stephen & Gloria	521 Life Spring Drive Rockwall, TX 75087	214-755-5321
Texas	Rainey, Ryan	11904 Copper Creek Drive Fort Worth, TX 76244	817-689-9931
Texas	Daboin, Nestor & Juan	10610 Lindabury Hollow Drive Katy, Texas 77494	832-205-8381
Utah	Gutierrez, Roberto	2008 E. Sheridan Road Salt Lake City, UT 84108	206-919-5466
Virginia	Brazen, Jason & Stephanie	2004 Stone Gap Drive Virginia Beach, VA 23456	412-414-6508

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Wisconsin	Daugherty, Sean & Christine	19400 Buckingham Place Brookfield, WI 53045	262-402-2571

We will provide you with a list of the Existing CN Businesses that were open and operating businesses that provide the Approved Services and Approved Products under the Proprietary Marks pursuant to a franchise agreement with our Affiliate Franchisor in Canada as of December 31, 2023 upon request.

B. Franchisees that Have Signed a Franchise Agreement but were Not Yet Open as of December 31, 2023

Territory State	Name	Address	Phone Number
California	Boutelle, Richard & Anngela	22244 Circle J Ranch Road Santa Clarita, CA 91350	425-766-5387
California	Fakih, Amer	8060 Muir Brook Avenue Las Vegas, NV 89113	702-882-4444
California	Bejan Hendifar	11175 Old Fashion Way Riverside, CA 92503	951-215-6708
California	Srinivas Hanumansetty, Jyothi Nookula	57 Deerborn Drive Aliso Viejo, CA 92656	949-216-0572
California	Matthew Czar Stottle	1851 Sapra St Thousand Oaks, CA 91362	805-203-6873
California	Brad Riethmaier, Dustin Riethmaier	1931 Camden St. Hollister, CA 95023	831-200-4743
California	Kuldip Pabla, Narinder Pabla	1380 Thornbury Ln San Jose, CA 95138	408-320-5058
Colorado	Charles Potter, Aaron Taryle, Michael Clifford, Charles Quay, Paul Bergagna	8184 E. Mineral Dr. Centennial, CO 80112	719-204-3917
Connecticut	Brian Hollinger	15 Trails End Road Weston, CT 06883	203-200-0262
Florida	Kevin Brown	1540 Alpha Ct. Colorado Springs, CO 80905	407-205-9792
Florida	Jerel Tomasello, Kyle Koelble	3621 W De Leon St Tampa, FL 33609	941-281-4797
Georgia	Diane Miller, Jordan Miller	804 Rum Hill Ct. Stockbridge, GA 30281	770-233-7527
Illinois	Carl Monje, Mike Megleo, Larry Leiss	105 N South Dr. Tower Lakes, IL 60010	812-269-2621
Indiana	Paul McMahon, Elizabeth McMahon	6153 Basswood Dr. Columbus, IN 47201	812-269-2924
Indiana	Adam LaMere, Audrey LaMere	248 E. 250 S. Valparaiso, Indiana 46383	219-209-2895
Kentucky	Chris Way	4702 Saddletop Ridge Ln Mason, OH 45040	502-488-2445
Massachusetts	Dave Miller, Jarrad Glennon	21 Arborway Dr. Scituate, MA 02066	508-266-5239
Michigan	Michael Crabtree	8961 Laurence Avenue Allen Park, MI 48101	734-215-5274
New Jersey	LeVaur Livingstone	118 Union Street Montclair, NJ 07042	973-283-5377
New Jersey	Michael Temple	5 Mary Street Warren, NJ 07059	908-291-8189
Ohio	Andrew Pearce, Colin Centa	1427 Wyandotte Ave. #3 Lakewood, OH 44107	440-201-9626
Rhode Island	Brian Lefort	49 Putnam Hill Road Sutton, MA 01590	508-258-9155
South Carolina	Charlie Lucas	1911 S Wendover Rd, Charlotte, NC 28211	864-202-6659

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Tennessee	Taliaferro Oates	4281 Montrose Dr. Memphis, TN 38117	901-205-9545
Texas	Miky Sodhi, Laura Sodhi	16446 Triple Ridge College Station, TX 77845	979-353-0957
Virginia	Dahl, Brian	12894 Gagne Drive Fairfax, VA 22030	703-622-8966

C. Franchisees that Exited the System in the Past Fiscal Year Ending December 31, 2023, or that Have Failed to Communicate with Us in 10 Weeks Preceding Issuance Date

Territory State	Name	~~Address~~City & State	Phone Number	Reason for Exit
Arizona	Linthicum, Michael & Nancy[1]	Buckeye, AZ	785-706-1021	Termination
Florida	Banman, Michael & Colleen	~~5213 Grove Mill Loop~~ Bradenton, FL~~ 34211~~	623-200-8711	Termination
Florida	Rott, Arthur	~~7441 Lahana Circle~~ ~~Boyton~~Boynton Beach, FL~~ 33473~~	284-330-6833	Transfer
Florida	Suarez, James[1]	Palm Beach Gardens, FL	561-722-2193	Transfer
Georgia	Motsi, Floyd & Grace	~~5360 Ashwind Trace~~ Alpharetta, GA~~ 30005~~	470-695-1453	Termination
Indiana	Indy Pavement Services LLC (Mnatzaganian, Krikor & Darlene)[1]	Noblesville, IN	317-420-5906	Termination
Ohio	Penn & Harley Enterprises, LLC (Singler, James)[1]	Cincinnati, OH	513-227-3017	Termination
Texas	Mussell, Stephen & Gloria[1]	Rockwall, TX	214-755-5321	Termination
Texas	ABTY Corporation, Inc. (Finnie, Buddy)[1]	Sunnyvale, TX	972-400-7375	Termination

Note to Table C:
1. While these franchisees are listed as having Open Franchised Businesses as of December 31, 2023 in Item 20 and Table A of this Exhibit, they have exited the System as of the Amended Issuance Date of this Disclosure Document.

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EXHIBIT F TO
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

UNAUDITED BALANCE SHEET DATED ~~FEBRUARY 29~~SEPTEMBER 25, 2024 AND UNAUDITED PROFIT AND LOSS STETMENT FOR THE PERIOD FROM JANUARY 1, 2024 TO ~~FEBRUARY 29~~SEPTEMBER 25, 2024.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

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EverLine Franchising US, Inc.

Balance Sheet

As of February 29, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	$630,613.91
Accounts Receivable	$1,315,124.82
Other Current Assets	$1,140,512.29
Total Current Assets	$3,086,251.02
Fixed Assets	$223,013.85
Other Assets	$8,234,385.85
TOTAL ASSETS	$11,543,650.72
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	$1,498,781.75
Long-Term Liabilities	$11,233,243.76
Total Liabilities	$12,732,025.51
Equity	$ -1,188,374.79
TOTAL LIABILITIES AND EQUITY	$11,543,650.72

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EverLine Franchising US, Inc.
Balance Sheet
As of September 25, 2024

		Total
ASSETS		
Current Assets		
Total Bank Accounts	$	751,972.61
Accounts Receivable		
Total 12000 Accounts Receivable	$	882,866.08
Accounts Receivable (A/R) - CAD		0.00
Total Accounts Receivable	$	882,866.08
Other Current Assets		
Total Other Current Assets	$	689,724.53
Total Current Assets	$	2,324,563.22
Fixed Assets		
Total 15000 Fixed Assets	$	196,786.69
Total Fixed Assets	$	196,786.69
Other Assets		
Total 16510 Current Portion of Deferred Commission	$	0.00
Total 16500 Franchise Commissions - Long-Term Portion	$	8,910,394.28
17000 Intangible Assets		
17150 Other Intangible Assets		0.00
Total 17000 Intangible Assets	$	0.00
Total Other Assets	$	9,071,925.36
TOTAL ASSETS	$	11,593,275.27
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Total Accounts Payable	$	289,352.55
Credit Cards		
Total Credit Cards	-$	4,086.73
Other Current Liabilities		
Total Other Current Liabilities	-$	2,608,235.62
Total Current Liabilities	-$	2,322,969.80
Long-Term Liabilities		
Total Long-Term Liabilities	$	11,810,649.66
Total Liabilities	$	9,487,679.86
Equity		
30000 Opening Balance Equity		0.00
30001 Owners Equity		3,882,005.15
30500 Common Stock		1,000.00
31000 Owner 1 Capital		412,679.85
39000 Retained Earnings		-1,335,210.49
Net Income		-854,879.10
Total Equity	$	2,105,595.41
TOTAL LIABILITIES AND EQUITY	$	11,593,275.27

Wednesday, Sep 25, 2024 11:25:49 AM GMT-7 - Accrual Basis

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EverLine Franchising US, Inc.
Profit and Loss
January 1 - September 25, 2024

	Total
Income	
41000 Franchise Sales	988,934.71
Total 41000 Franchise Sales	**$ 1,092,634.71**
42000 Recurring Income	
Total 42000 Recurring Income	**$ 1,157,712.73**
43000 Franchisees Reselling Income	
Total 43000 Franchisees Reselling Income	**$ 662,528.75**
48000 Billable Expense Income	
Total 48000 Billable Expense Income	**$ 286,273.62**
Total Income	**$ 3,248,822.66**
Cost of Goods Sold	
50000 Direct Costs	
Total 50000 Direct Costs	**$ 1,278,692.37**
50001 Franchise Services	
Total 50001 Franchise Services	**$ 839,145.46**
Total Cost of Goods Sold	**$ 2,117,837.83**
Gross Profit	**$ 1,130,984.83**
Expenses	
61000 Advertising Expense	
Total 61000 Advertising Expense	**$ 700.00**
62000 Administrative Expenses	
Total 62000 Administrative Expenses	**$ 607,976.49**
63000 Personnel Expense	
Total 63000 Personnel Expense	**$ 1,033,644.29**
64000 Occupancy Expense	
Total 64000 Occupancy Expense	**$ 59,251.27**
65000 Travel Expenses	
Total 65000 Travel Expenses	**$ 192,577.99**
66000 Other General and Admin Expense	
Total 66000 Other General and Admin Expense	**$ 71,915.58**
Total Expenses	**$ 1,974,776.90**
Net Operating Income	**-$ 843,792.07**
Other Income	
Total Other Income	**$ 34,106.89**
Other Expenses	
Total Other Expenses	**$ 45,193.92**
Net Other Income	**-$ 11,087.03**
Net Income	**-$ 854,879.10**

Wednesday, Sep 25, 2024 11:26:03 AM GMT-7 - Accrual Basis

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EverLine Franchising US, Inc.

Profit and Loss

January - February, 2024

	TOTAL
Income	
41000 Franchise Sales	246,490.61
42000 Recurring Income	116,194.55
43000 Franchisees Reselling Income	181,710.38
48000 Billable Expense Income	287,606.14
Rebates and Commission	20,185.67
Total Income	**$852,187.35**
Cost of Goods Sold	
50000 Direct Costs	304,045.71
50001 Franchise Services	425,641.97
Total Cost of Goods Sold	**$729,687.68**
GROSS PROFIT	**$122,499.67**
Expenses	
61000 Advertising Expense	700.00
62000 Administrative Expenses	101,446.69
63000 Personnel Expense	193,289.92
64000 Occupancy Expense	16,074.77
65000 Travel Expenses	50,942.35
66000 Other General and Admin Expense	12,526.05
Total Expenses	**$374,979.78**
NET OPERATING INCOME	**$ -252,480.11**
Other Income	**$754.02**
Other Expenses	**$13,131.92**
NET OTHER INCOME	**$ -12,377.90**
NET INCOME	**$ -264,858.01**

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EverLine Franchising US, Inc.

Financial Statements

As of December 31, 2023 and 2022
and for the years ended December 31, 2023 and 2022 and the period
from inception (September 16, 2021) through December 31, 2021

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EverLine Franchising US, Inc.

Financial Statements

As of December 31, 2023 and 2022
and for the years ended December 31, 2023 and 2022 and the period
from inception (September 16, 2021) through December 31, 2021

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Independent Auditor's Report

To the Stockholder
EverLine Franchising US, Inc.
Houston, Texas

Report on the Financial Statements

Opinion
We have audited the financial statements of EverLine Franchising US, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in stockholder's equity (deficit), and cash flows for the years ended December 31, 2023 and 2022 and the period from inception (September 16, 2021) through December 31, 2021, and related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations, changes in stockholder's equity (deficit), and cash flows for the years ended December 31, 2023 and 2022 and the period from inception (September 16, 2021) through December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EverLine Franchising US, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EverLine Franchising US, Inc.'s ability to continue as a going concern within one year from the date the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EverLine Franchising US, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of, significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EverLine Franchising US, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

A+G LLP

Dallas, Texas
April 19, 2024

Balance Sheets

As of December 31,	**2023**	2022
Assets		
Current assets:		
Cash and cash equivalents	**$ 740,292**	$ 579,058
Restricted cash	**46,663**	-
Accounts receivable, net	**1,044,625**	2,555,653
Unbilled revenue	**389,498**	24,000
Due from affiliates	**64,291**	-
Inventory	**111,938**	197,487
Prepaid expenses	**322,377**	210,125
Deferred cost	**878,879**	476,335
Total current assets	**3,598,563**	4,042,658
Property and equipment, net	**228,121**	334,412
Operating lease right-of-use asset	**192,269**	164,670
Deferred cost, net	**6,916,439**	4,042,850
Deferred tax asset, net	**507,915**	250,534
Other assets	**9,120**	9,120
Total assets	**$ 11,452,427**	$ 8,844,244
Liabilities and Stockholder's Deficit		
Current liabilities:		
Accounts payable	**$ 449,979**	$ 207,088
Accrued expenses	**159,380**	842,430
Brand development fund payable	**46,663**	572
Income taxes payable	**20,285**	14,721
Due to affiliates	**409,675**	237,457
Deferred revenue	**2,614,577**	1,505,270
Current portion of operating lease liability	**62,133**	40,326
Total current liabilities	**3,762,692**	2,847,864
Deferred revenue, net	**8,492,229**	6,113,515
Operating lease liability, net	**141,857**	137,405
Total liabilities	**12,396,778**	**9,098,784**
Stockholder's deficit		
Common stock; $1 par value; 1,000 shares authorized, issued and outstanding	**1,000**	1,000
Additional paid in capital	**412,680**	412,680
Retained deficit	**(1,358,031)**	(668,220)
Total stockholder's deficit	**(944,351)**	(254,540)
Total liabilities and stockholder's deficit	**$ 11,452,427**	$ 8,844,244

See accompanying notes and independent auditor's report.

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Statements of Operations	**Year Ended December 31, 2023**	Year Ended December 31, 2022	September 16, 2021 through December 31, 2021
Revenues:			
Franchise fee revenue	**$ 1,284,275**	$ 654,815	$ -
Royalty revenue	**777,575**	55,810	-
Brand development fund revenue	**261,382**	17,937	-
Equipment and trailer revenue	**1,362,869**	911,059	-
Software fee revenue	**346,023**	75,639	-
Other revenues	**439,090**	65,534	-
Total revenues	**4,471,214**	1,780,794	-
Operating expenses:			
Depreciation	**38,384**	30,051	811
Advertising and marketing	**361,114**	128,126	51,819
Brand development fund expense	**253,557**	25,761	-
Commission expense	**884,898**	214,162	-
Equipment and trailer costs	**1,214,240**	732,373	-
Software costs	**326,619**	75,044	-
Operating lease costs	**54,660**	36,698	4,298
Management fee expense	**276,000**	111,561	-
Personnel costs	**1,228,789**	340,885	-
Professional fees	**182,357**	322,894	119,310
Other general and administrative expenses	**625,669**	486,316	28,324
Total general and administrative expenses	**5,446,287**	2,503,871	204,562
Loss from operations	**(975,073)**	(723,077)	(204,562)
Other income (expense):			
Interest income	**2,166**	-	-
Other income	**48,052**	24,211	-
Interest expense	**-**	(605)	-
Total other income (expense)	**50,218**	23,606	-
Loss before benefit from income taxes	**(924,855)**	(699,471)	(204,562)
Benefit from income taxes	**235,044**	235,813	-
Net loss	**$ (689,811)**	$ (463,658)	$ (204,562)

See accompanying notes and independent auditor's report.

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Statements of Changes in Stockholder's Equity (Deficit)

	Common Stock		Additional Paid-In	Retained	Total Stockholder's
	Shares	Amount	Capital	Deficit	Equity (Deficit)
Balance at September 16, 2021 (inception)	-	$ -	$ -	$ -	$ -
Net loss	-	-	-	(204,562)	(204,562)
Issuance of stock	1,000	1,000	412,680	-	413,680
Balance at December 31, 2021	1,000	1,000	412,680	(204,562)	209,118
Net loss	-	-	-	(463,658)	(463,658)
Balance at December 31, 2022	1,000	1,000	412,680	(668,220)	(254,540)
Net loss	-	-	-	(689,811)	(689,811)
Balance at December 31, 2023	1,000	$ 1,000	$ 412,680	$ (1,358,031)	$ (944,351)

See accompanying notes and independent auditor's report.

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Statements of Cash Flows	Year Ended December 31, 2023	Year Ended December 31, 2022	September 16, 2021 through December 31, 2021
Operating Activities			
Net loss	**$ (689,811)**	$ (463,658)	$ (204,562)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Depreciation	**38,384**	30,051	811
Equipment and trailer costs	**77,747**	-	-
Non-cash operating lease costs	**(1,340)**	13,061	-
Provision for credit losses	**15,853**	-	-
Deferred income taxes	**(257,381)**	(250,534)	-
Changes in operating assets and liabilities:			
Restricted cash	**(46,663)**	-	-
Accounts receivable	**1,495,175**	(2,555,653)	-
Unbilled revenue	**(389,498)**	-	
Inventory	**85,549**	(174,582)	(22,905)
Prepaid expenses	**(112,252)**	(193,658)	(16,467)
Deferred costs	**(3,276,133)**	(4,519,185)	-
Other assets	**-**	(4,560)	(4,560)
Accounts payable	**242,891**	207,088	-
Accrued expenses	**(683,050)**	822,342	20,088
Brand fund payable	**46,091**	572	
Income taxes payable	**5,564**	14,721	-
Deferred revenue	**3,512,021**	7,594,785	-
Net cash provided (used) by operating activities	**63,147**	520,790	(227,595)
Investing Activities			
Purchases of property and equipment	**(9,840)**	(325,712)	(39,562)
Net cash used by investing activities	**(9,840)**	(325,712)	(39,562)
Financing Activities			
Net advances from affiliates	**107,927**	221,908	15,549
Issuance of stock	**-**	-	413,680
Net cash provided by financing activities	**107,927**	221,908	429,229
Net increase in cash and cash equivalents	**161,234**	416,986	162,072
Cash and cash equivalents, beginning of period	**579,058**	162,072	-
Cash and cash equivalents, end of period	**$ 740,292**	$ 579,058	$ 162,072
Supplemental Disclosure of Cash Flow Information			
Interest paid	**$ -**	$ 605	$ -
Taxes paid	**$ 16,773**	$ -	$ -

See accompanying notes and independent auditor's report.

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1. Organization and Operations

Description of Business
EverLine Franchising US Inc., a Texas corporation, was incorporated on September 16, 2021 ("Inception") and is located in Houston, Texas. References in these financial statement footnotes to "Company", "we", and "us" and "our" refer to the business of EverLine Franchising US, Inc. The Company is a wholly owned subsidiary of EverLine Holding Corp. ("ELHC" or "Parent"), which is a corporation organized under the laws of the province of Alberta, Canada.

The Company grants franchises for the establishment and operation of line painting and pavement maintenance service business under the "EVERLINE" trade name and service mark ("Proprietary Marks"), providing commercial, industrial and residential, public and private, exterior and interior line pavement marking, painting of parking lots, offices, and industrial areas, and related parking lot and pavement maintenance services.

EverLine Franchising Ltd. ("ELF-CA"), an affiliate of the Company which is a corporation organized under the laws of the province of Alberta, Canada, has licensed the trademarks and other intellectual property relating to the franchising of EVERLINE business to the Company under a license agreement (the "License"). The License grants the Company the right to use this trademark and other intellectual property for licensing and sublicensing them to franchisees of the Company in the United States.

The Company has 1,000 authorized shares of $1 par value common stock. As of December 31, 2023 and 2022, the Company had 1,000 shares issued and outstanding.

The table below reflects the status and changes in franchised outlets for the years ended December 31, 2023 and 2022 and the period from Inception through December 31, 2021.

Franchised Outlets

Year	Start of Year	Opened	Closed or Ceased Operations – Other reasons	End of Year
2021	0	0	0	0
2022	0	21	1	20
2023	20	36	1	55

Going Concern
Management has evaluated our ability to continue as a going concern as of December 31, 2023. Due to the positive cash flows from our operations and liquidity position of the Company as of December 31, 2023, we have concluded that there is not significant doubt about our ability to continue as a going concern.

2. Significant Accounting Policies

Basis of Accounting
The Company uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

Use of Estimates
The preparation of the financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Estimates are used for the following, among others: revenue recognition, allowance for credit losses, useful lives for depreciation of long-lived assets and deferred taxes. Actual results could differ from those estimates.

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2. Significant Accounting Policies (continued)

Comparative Financial Statements
Certain prior period amounts have been reclassified to conform to current year presentation.

Fair Value Measurements
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of cash and cash equivalents, trade receivable, prepaid expenses, deferred costs, accounts payable and accrued expenses and deferred revenue. The carrying values of cash and cash equivalents, trade receivable, prepaid expenses, deferred costs, accounts payable and accrued expenses and deferred revenue are considered to be representative of their respective fair values due to the short-term nature of these instruments.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data

Non-recurring fair value measurements include the assessment of property and equipment for impairment. As there is no corroborating market activity to support the assumptions used, the Company has designated these estimates as Level 3.

Cash and Cash Equivalents
For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Restricted Cash
Restricted cash consists of funds related to the Brand Development Fund. Funds collected by the Company for the Brand Development Fund is maintained in separate restricted cash account to cover the expenditures required to be made under the Brand Development Fund program and are not available to be used for the normal recurring operations of the Company.

Accounts Receivable
Accounts receivable consist primarily of franchise fees, royalty revenue, brand development fund fees, equipment and trailer revenue and software fee revenue due from franchisees and are stated at the amount the Company expects to collect. The Company maintains allowances for credit losses for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Past due balance over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to an allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses.

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2. Significant Accounting Policies (continued)

Inventory
Inventory consists of trailers, painting supplies, small tools, and other items for sale to the EVERLINE businesses, which are valued the lower of cost or net realizable value and are expensed in equipment and trailer costs using the weighted-average cost method when provided to its customers.

Deferred costs
The Company capitalizes incremental contract costs associated with obtaining franchise contracts which include broker fees, sales commissions and general fees that would not have been incurred had the franchise sale not occurred. These balances are reported as deferred costs on the balance sheets and are amortized over the term of the related franchise agreements. Amortization is included as commission expense in the statements of operations.

Property and Equipment
Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives of the respective asset:

	Estimated Useful Life
Furniture and fixtures	10 Years
Office equipment	3 Years
Vehicle	7 Years
Training equipment	7 Years

Maintenance and repair costs are expensed in the period incurred. Expenditures for purchases and improvements that extend the useful lives of property and equipment are capitalized.

Impairment of Long-Lived Assets
The Company assesses potential impairment of its long lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important which could trigger an impairment review include, but are not limited to, significant under-performance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, and significant industry or economic trends. When the Company determines that the carrying value of the long-lived assets may not be recoverable based upon the existence of one or more of the above indicators, the Company determines the recoverability by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate. If the carrying value is not recoverable, an impairment is recognized in the amount by which the carrying amount exceeds the fair value of the asset. During the years ended December 31, 2023 and 2022 and the period from Inception through December 31, 2021, no impairment charges were recognized related to long-lived assets.

Revenue Recognition
The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") ASC 606-10-25, *Revenue from Contracts with Customers*. In January 2021, the FASB issued Accounting Standards Update ("ASU") 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

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2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

The Company's primary sources of revenue are as follows:

Franchise fee revenue
Initial Franchise Fees: The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the respective location(s). A franchise agreement establishes a franchised center developed in one or multiple defined geographic areas and provides for a ten-year initial term with the option to renew for two additional ten year terms. Subject to the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. If approved, a franchisee may transfer a franchise to a new or existing franchisee, at which point a transfer fee is typically paid by the current owner which then terminates that franchise agreement, and a franchise agreement is signed with the new franchisee. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination. Revenue related to franchise fees is recognized evenly over the contractual term of the franchise agreement.

Location opening fees: The franchisor also requires the franchisee to pay a training fee and setup fees upon signing the agreement. The Company recognizes these fees as revenue when substantially all initial services required by the franchise agreement are performed.

Royalty revenue
Royalty revenue is charged to existing franchise owners based on six percent of the gross sales generated by EVERLINE businesses. The revenue is recognized as earned.

Brand development fund revenue
The Company maintains a brand development fund to promote general brand recognition of the franchise system and services. Funds are collected from franchisees based on an agreed-upon percentage of franchisee's monthly gross sales and used to pay costs of, or associated with, conducting market research, preparing advertising, promotion, and marketing materials, and costs to administer the brand development fund. Although brand development fund revenue is not a separate performance obligation distinct from the underlying franchise right, the Company acts as the principal as it is primarily responsible for the fulfillment and control of the marketing services. As a result, the Company records brand development fund contributions in revenue and related brand development fund expenditures in expenses in the statements of operations. When brand development fund revenue exceeds the related brand development fund expenses in a reporting period, brand development fund expenses are accrued up to the amount of the brand development fund revenue recognized. Brand development fund revenue is contributed by franchisees based on two percent of EVERLINE businesses' gross sales and is recognized as earned.

Equipment and trailer revenue
Equipment and trailer revenue are recognized when the products have been shipped. The Company accounts for shipping and handling: (1) as revenues within the caption of equipment and trailer revenue, and (2) as expenses within the caption of equipment and trailer expense, in the statements of operations.

Software fee revenue
Software fees are charged to the Company's franchisees on a monthly basis and are recognized as earned.

Other revenues
Other revenues consist of annual conference fee revenue, management fee revenue, vendor rebate revenue and other fee revenues and is recognized as earned.

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2. Significant Accounting Policies (continued)

Advertising and marketing
All costs associated with advertising and marketing are expensed in the period incurred.

Leases
The company accounts for leases under ASC 842. Lease arrangements are determined at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheets. Operating leases with the terms greater than 12 months are included in operating lease right-of-use ("ROU") asset, operating lease liability and long-term operating lease liability on the balance sheets. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease terms include the noncancelable portion of the underlying lease with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Income Taxes
The Company is taxed as a C-Corporation. Income taxes are provided for the tax effects of transactions reported in the financial statement and consist of taxes currently due plus deferred taxes. Deferred income taxes are provided for the temporary differences in basis of the Company's assets and liabilities and their reported amounts. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are determined based on the enacted rates that are expected to be in effect when these differences are expected to reverse. Deferred tax expense or benefit is the result of the changes in the deferred tax assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company recognizes income tax related interest and penalties in interest expense and general and administrative expenses, respectively.

Recently Adopted Accounting Pronouncements
In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", and subsequent amendments to the initial guidance, ASU 2019-10. This accounting standard changes the methodology for measuring credit losses on financial instruments, including trade accounts receivable, and the timing of when such losses are recorded. ASU No. 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2022. The Company adopted this standard as of January 1, 2023, using the modified retrospective approach and it did not have a material impact on its financial statements.

Recent Accounting Pronouncements
In March 2023, the FASB issued ASU No. 2023-01, "Leases (Topic 842): Common Control Arrangements", and subsequent amendments to the initial guidance, ASU No. 2016-02. This accounting standard updates response to private company's stakeholders concerns about applying Topic 842 to related party arrangements between entities under common control. ASU No. 2023-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2023 with early adoption is permitted. The Company is currently evaluating the impact of adopting ASU No. 2023-01 on its financial statements.

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2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)
In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740) - Improvements to Income Tax Disclosures". The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions and applies to all entities subject to income taxes. ASU 2023-09 will be effective for annual periods beginning after December 15, 2025. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU No. 2023-09 on its financial statements.

We reviewed other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in two financial institutions.

4. Revenue and Related Contract Balances

Disaggregation of Revenue
The following table disaggregates revenue by source for the years and period ended December 31:

	2023	2022	2021
Point in time:			
Franchise fee revenue	**$ 409,062**	$ 313,875	$ -
Royalty revenue	**777,575**	55,810	-
Brand development fund revenue	**261,382**	17,937	-
Equipment and trailer revenue	**1,362,869**	911,059	-
Software fee revenue	**346,023**	75,639	-
Other revenues	**439,090**	65,534	-
Total point in time	**$ 3,596,001**	$ 1,439,854	$ -
Over time:			
Franchise fee revenue	**875,213**	340,940	-
Total revenues	**$ 4,471,214**	$ 1,780,794	$ -

Contract Assets
Contract assets consist of unbilled revenue. Unbilled revenue consists of initial franchise fees, royalty revenue, brand development fund revenue, software fee revenue and other revenue earned from its franchisees' for which a billing has not occurred.

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4. Revenue and Related Contract Balances (continued)

Contract Costs

Contract costs consist of deferred costs resulting from broker fees and commissions incurred when the franchise rights are sold to franchisees. The Company classifies these contract assets as deferred costs on the balance sheets. The following table reflects the change in contract assets for the years ended December 31:

	2023	2022
Deferred costs – beginning of year	**$ 4,519,185**	$ -
Expense recognized during the year	**(884,898)**	(214,162)
New deferrals	**4,161,031**	4,733,347
Deferred costs – end of year	**$ 7,795,318**	$ 4,519,185

The following table illustrates estimated expenses expected to be recognized over the remaining term of the associated franchise agreements as of December 31, 2023:

2024	$ 878,879
2025	878,879
2026	878,879
2027	878,879
2028	878,879
Thereafter	3,400,923
Total	$ 7,795,318

Contract Liabilities

Contract liabilities consist of deferred revenue resulting from initial franchise fees, renewal fees and transfer fees paid by franchisees, which are recognized on a straight-line basis over the term of the franchise agreements. Contract liabilities also consist of training fee revenue, marketing setup fee revenue, technology setup fee revenue, and conference fee revenue, which are recognized when the services are provided, and equipment and trailer revenue, which is recognized when the equipment and trailers are shipped. The Company classifies these contract liabilities as deferred revenue on the balance sheets. The following table reflects the change in contract liabilities for the years ended:

	2023	2022
Deferred revenue – beginning of year	**$ 7,618,785**	$ -
Revenue recognized during the year	**(2,780,208)**	(1,565,874)
New deferrals	**6,268,229**	9,184,659
Deferred revenue – end of year	**$ 11,106,806**	$ 7,618,785

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2023:

2024	$ 2,614,577
2025	1,679,582
2026	1,679,582
2027	1,679,582
2028	1,680,953
Thereafter	1,772,530
Total	$ 11,106,806

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5. Accounts Receivable

Accounts receivable consisted of the following at December 31:

	2023	2022
Accounts receivable	**$ 1,055,955**	$ 2,555,653
Less: allowance for credit losses	**(11,330)**	-
Accounts receivable, net	**$ 1,044,625**	$ 2,555,653

For the years ended December 31, 2023 and 2022 and the period from Inception through December 31, 2021, bad debt expense was $15,853, $0 and $0, respectively.

The allowance for credit losses activity was as follows:

	2023	2022
Balance at beginning of year	**$ -**	$ -
Provision for credit losses	**15,853**	-
Write-offs, net of recoveries	**(4,523)**	-
Balance at end of year	**$ 11,330**	$ -

6. Property and Equipment

The major classes of property and equipment consisted of the following at December 31:

	2023	2022
Furniture and fixtures	**$ 45,865**	$ 15,248
Office equipment	**8,533**	6,692
Vehicle	**61,987**	55,987
Training equipment	**180,982**	287,347
Less: accumulated depreciation	**(69,246)**	(30,862)
Property and equipment, net	**$ 228,121**	$ 334,412

For the years ended December 31, 2023 and 2022 and the period from Inception through December 31, 2021, depreciation expense was $38,384, $30,051 and $811, respectively.

7. Leases

The Company has one operating lease agreement for the lease of office and warehouse space. The lease expires in February 2027 and does not include an option to extend the lease term.

Operating lease costs for the years ended December 31, 2023 and 2022 was $54,660 and $36,698, respectively.

Supplemental cash flow information related to the operating lease for the years ended December 31:

	2023	2022
Operating cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities	**$ 56,000**	$ 23,637
Non-cash activity:		
Right-of-use asset obtained in exchange for new operating lease liability	**$ 81,600**	$ 202,852

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7. Leases (continued)

The weighted average lease terms and discount rate information related to the operating lease was as follows:

	2023	2022
Weighted average remaining lease term of operating leases	**3.16**	4.16 years
Weighted average discount rate of operating leases	**1.28%**	1.28%

The future maturities of operating lease liabilities as of December 31, 2023 was as follows:

2024	$ 64,320
2025	65,760
2026	67,200
2027	11,280
Total future minimum lease payments	208,560
Less: imputed interest	(4,570)
Total lease liabilities	$ 203,990

8. Related Party Transactions

The Company shares certain personnel and other general and administrate costs with its affiliate, EverLine Franchising Ltd. ("ELF-CA"). The allocation of these costs are included as management fees in the statements of operations. For the years ended December 31, 2023 and 2022, the Company recognized management fees to ELF-CA in the amount of $276,000 and $111,561, respectively. At December 31, 2023 and 2022 the Company had a balance due to ELF-CA in the amount of $409,675 and $145,660, respectively. The amount due to its affiliate is unsecured, bears no interest, and is due on demand. The amount is classified as current based on its expected repayment.

The Company shares certain personnel costs with its affiliate, 2277801 Alberta Ltd. ("EAM-CA"). The Company charges EAM-CA a management fee for these cost which is included in other revenues in the statements of operations. For the years ended December 31, 2023 and 2022, the Company recognized other revenues related to management fee income from to EAM-CA in the amount of $170,559 and $0, respectively. At December 31, 2023, the Company had a balance due from EAM-CA in the amount of $62,541. At December 31, 2022, the Company had a balance due to EAM-CA in the amount of $91,797. The amount due to its affiliate is unsecured, bears no interest, and is due on demand. The amount is classified as current based on its expected repayment.

During the year ended December 31, 2023, the Company advanced funds in the amount of $1,750 to its affiliate, EverLine Asset Management US, Inc. ("EAM-US") in the amount of $1,750. At December 31, 2023, the Company had an amount due from EAM-US in the amount of $1,750.

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9. Income Taxes

The provision (benefit) from income taxes consisted of the following for the years ended December 31, 2023 and 2022 and the period from Inception through December 31, 2021.

	2023	2022	2021
Current:			
Federal	**$ 3,980**	$ 5,975	$ -
State	**18,357**	8,746	-
Total current provision for income taxes	**22,337**	14,721	-
Deferred:			
Federal	**(196,685)**	(199,095)	-
State	**(60,696)**	(57,521)	-
Total deferred benefit from income taxes	**(257,381)**	(250,534)	-
Net benefit from income taxes	**$ (235,044)**	$ (235,813)	$ -

The following is a reconciliation of the expected federal income tax benefit at the statutory rate of 21% to the actual provision for income taxes for the years ended December 31, 2023 and 2022 and the period from Inception through December 31, 2021:

	2023	2022	2021
Expected tax benefit at statutory rates:	**$ (194,175)**	$ (146,889)	$ (42,958)
State taxes, net of federal effect	**(33,448)**	(33,727)	-
Permanent	**3,684**	(3,443)	-
Utilization of net operating loss	**15,918**	23,898	-
Change in valuation allowance	**-**	(42,958)	42,958
Other	**(27,023)**	(32,694)	-
Benefit from income taxes	**$ (235,044)**	$ (235,813)	$ -

The significant components of deferred tax assets (liabilities) at December 31, 2023 and 2022, consist of the following:

	2023	2022
Deferred tax assets:		
Accounts payable	**$ 121,493**	$ 55,913
Accrued expenses	**34,447**	90,419
Deferred revenue	**2,998,837**	2,057,072
Operating lease	**3,166**	3,527
Net operating loss	**11,279**	27,027
Total deferred tax assets	**3,169,222**	2,233,958
Deferred tax liabilities:		
Accounts receivable	**(397,612)**	**(585,738)**
Inventory	**(24,039)**	**(47,137)**
Prepaid expenses	**(82,595)**	**(52,287)**
Deferred commissions	**(2,104,736)**	**(1,220,180)**
Property and equipment	**(52,325)**	**(78,082)**
Total deferred tax liabilities	**(2,661,307)**	**(1,983,424)**
Deferred tax asset, net	**$ 507,915**	**$ 250,534**

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9. Income Taxes (continued)

The Company's management periodically assess the likelihood that it will be able to recover its deferred tax assets. Management considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible profits.

At December 31, 2023 the Company had NOL carryforwards of approximately $53,709 and has recorded a deferred tax asset of $11,279 reflecting the benefit of $53,709 in loss carryforwards. This NOL will be carried forward indefinitely. Only 80% of current taxable income will be able to be offset with a net operating loss carryforward.

As of December 31, 2021, the Company had recorded a valuation allowance of $42,958, which was equal to the full amount of the net deferred tax asset due to the uncertainty of the utilization of the deferred tax asset in future periods. The valuation allowance was released during 2022 due to the expected utilization of the net operating loss carryover.

The Company files income tax returns in the U.S. federal and state jurisdictions in which it operates The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

In accordance with FASB ASC 740-10, Income Taxes, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. We are currently subject to the general three-year statute of limitation for federal tax. Under this general rule, the Company is subject to examination by taxing jurisdictions for all periods from inception.

The Company has analyzed tax positions taken for filing with the jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2023 and 2022.

10. Commitments and Contingencies

Litigation
Various legal actions and claims which may arise in the normal course of business may be pending against the Company from time to time. It is the opinion of management, based on consultation with counsel, that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

11. 401(k) Savings Plan

The Company maintains a 401(k) retirement saving plan (the "Plan") for the benefit of eligible employees. Under terms of this plan, eligible employees are able to make contributions of their wages on a tax-deferred basis. Employee contributions are matched by the Company in accordance with the Plan up to a maximum of 3.5% of employee earnings. For the years ended December 31, 2023 and 2022 and the period from Inception through December 31, 2021, the Company's employer matching contribution was $23,554, $2,133 and $0, respectively.

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12. Subsequent Events

The Company has evaluated subsequent events through April 19, 2024, the date the financial statements were available to be issued.

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EverLine Franchising US, Inc.

Financial Statements

As of December 31, 2022 and 2021
and for the year ended December 31, 2022 and the period from inception
(September 16, 2021) through December 31, 2021

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EverLine Franchising US, Inc.

Financial Statements

As of December 31, 2022 and 2021
and for the year ended December 31, 2022 and the period
from inception (September 16, 2021) through December 31, 2021

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Independent Auditor's Report

To the Stockholder
EverLine Franchising US, Inc.
Houston, Texas

Report on the Financial Statements

Opinion
We have audited the financial statements of EverLine Franchising US, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, changes in stockholder's equity (deficit), and cash flows for the year ended December 31, 2022 and the period from inception (September 16, 2021) through December 31, 2021, and related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and the period from inception (September 16, 2021) through December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EverLine Franchising US, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EverLine Franchising US, Inc.'s ability to continue as a going concern within one year from the date the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EverLine Franchising US, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of, significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EverLine Franchising US, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

A+G LLP

Dallas, Texas
May 13, 2023

Balance Sheets

As of December 31,	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	**$ 579,058**	$ 162,072
Accounts receivable, net	**2,555,653**	-
Unbilled revenue	**24,000**	-
Inventory	**197,487**	22,905
Prepaid expenses	**210,125**	16,467
Deferred cost	**476,335**	-
Total current assets	**4,042,658**	201,444
Property and equipment, net	**334,412**	38,751
Operating lease right-of-use asset	**164,670**	-
Deferred cost, net	**4,042,850**	-
Deferred tax asset, net	**250,534**	-
Other assets	**9,120**	4,560
Total assets	**$ 8,844,244**	$ 244,755
Liabilities and Stockholder's Equity (Deficit)		
Current liabilities:		
Accounts payable	**$ 207,088**	$ -
Accrued expenses	**843,002**	20,088
Income taxes payable	**14,721**	-
Due to affiliates	**237,457**	15,549
Deferred revenue	**1,505,270**	-
Current portion of operating lease liability	**40,326**	-
Total current liabilities	**2,847,864**	35,637
Deferred revenue, net	**6,113,515**	-
Operating lease liability, net	**137,405**	-
Total liabilities	**9,098,784**	**35,637**
Stockholder's equity (deficit)		
Common stock; $1 par value; 1,000 shares authorized, issued and outstanding	**1,000**	1,000
Additional paid in capital	**412,680**	412,680
Retained deficit	**(668,220)**	(204,562)
Total stockholder's equity (deficit)	**(254,540)**	209,118
Total liabilities and stockholder's equity (deficit)	**$ 8,844,244**	$ 244,755

See accompanying notes and independent auditor's report.

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Statements of Operations	**Year Ended December 31, 2022**	September 16, 2021 through December 31, 2021
Revenues:		
Franchise fee revenue	**$ 654,815**	$ -
Royalty revenue	**55,810**	-
Brand development fund revenue	**17,937**	-
Equipment and trailer revenue	**911,059**	-
Other revenues	**141,173**	-
Total revenues	**1,780,794**	-
Operating expenses:		
Depreciation	**30,051**	811
Advertising and marketing	**128,126**	51,819
Brand development fund expense	**25,761**	-
Commission expense	**214,162**	-
Equipment and trailer costs	**732,373**	-
Operating lease costs	**36,698**	4,298
Personnel costs	**340,885**	-
Professional fees	**322,894**	119,310
Technology fees	**75,044**	-
Other general and administrative expenses	**597,877**	28,324
Total general and administrative expenses	**2,503,871**	204,562
Loss from operations	**(723,077)**	(204,562)
Other income (expense):		
Other income	**24,211**	-
Interest expense	**(605)**	-
Total other income (expense)	**23,606**	-
Loss before benefit from income taxes	**(699,471)**	(204,562)
Benefit from income taxes	**235,813**	-
Net loss	**$ (463,658)**	$ (204,562)

See accompanying notes and independent auditor's report.

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Statements of Changes in Stockholder's Equity (Deficit)

	Common Stock		Additional Paid-In	Retained	Total Stockholder's
	Shares	Amount	Capital	Deficit	Equity (Deficit)
Balance at September 16, 2021 (inception)	-	$ -	$ -	$ -	$ -
Net loss	-	-	-	(204,562)	(204,562)
Issuance of stock	1,000	1,000	412,680	-	413,680
Balance at December 31, 2021	1,000	1,000	412,680	(204,562)	209,118
Net loss	-	-	-	(463,658)	(463,658)
Balance at December 31, 2022	1,000	1,000	412,680	(668,220)	(254,540)

See accompanying notes and independent auditor's report.

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Statements of Cash Flows	Year Ended December 31, 2022	September 16, 2021 through December 31, 2021
Operating Activities		
Net loss	**$ (463,658)**	$ (204,562)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation	**30,051**	811
Non-cash operating lease costs	**13,061**	-
Deferred income taxes	**(250,534)**	-
Changes in operating assets and liabilities:		
Accounts receivable	**(2,555,653)**	-
Inventory	**(174,582)**	(22,905)
Prepaid expenses	**(193,658)**	(16,467)
Deferred costs	**(4,519,185)**	-
Other assets	**(4,560)**	(4,560)
Accounts payable	**207,088**	-
Accrued expenses	**822,914**	20,088
Income taxes payable	**14,721**	-
Deferred revenue	**7,594,785**	-
Net cash provided (used) by operating activities	**520,790**	(227,595)
Investing Activities		
Purchases of property and equipment	**(325,712)**	(39,562)
Net cash used by investing activities	**(325,712)**	(39,562)
Financing Activities		
Net advances from affiliates	**221,908**	15,549
Issuance of stock	**-**	413,680
Net cash provided by financing activities	**221,908**	429,229
Net increase in cash and cash equivalents	**416,986**	162,072
Cash and cash equivalents, beginning of period	**162,072**	-
Cash and cash equivalents, end of period	**$ 579,058**	$ 162,072
Supplemental Disclosure of Cash Flow Information		
Interest paid	**$ 605**	$ -
Taxes paid	**$ -**	$ -

See accompanying notes and independent auditor's report.

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1. Organization and Operations

Description of Business
EverLine Franchising US Inc., a Texas corporation, was incorporated on September 16, 2021 ("Inception") and is located in Houston, Texas. References in these financial statement footnotes to "Company", "we", and "us" and "our" refer to the business of EverLine Franchising US, Inc. The Company is a wholly owned subsidiary of Everline Holding Corp., which is a corporation organized under the laws of the province of Alberta, Canada.

The Company grants franchises for the establishment and operation of line painting and pavement maintenance service business under the "EVERLINE" trade name and service mark ("Proprietary Marks"), providing commercial, industrial and residential, public and private, exterior and interior line pavement marking, painting of parking lots, offices, and industrial areas, and related parking lot and pavement maintenance services. EverLine Franchising Ltd., an affiliate of the Company, has licensed the trademarks and other intellectual property relating to the franchising of EVERLINE business to the Company under a license agreement (the "License"). The License grants the Company the right to use this trademark and other intellectual property for licensing and sublicensing them to franchisees of the Company in the United States.

The Company has 1,000 authorized shares of $1 par value common stock. As of December 31, 2022 and 2021, the Company had 1,000 shares issued and outstanding.

The table below reflects the status and changes in franchised outlets for the year ended December 31, 2022 and the period from Inception through December 31, 2021.

Franchised Outlets

Year	Start of Year	Opened	Closed or Ceased Operations – Other reasons	End of Year
2021	0	0	0	0
2022	0	21	1	20

Going Concern
Management has evaluated our ability to continue as a going concern as of December 31, 2022. Due to the positive cash flows from our operations and liquidity position of the Company as of December 31, 2022, we have concluded that there is not significant doubt about our ability to continue as a going concern.

COVID-19
On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption. The full impact of the pandemic will continue to depend on future developments, including the continued spread and duration of the pandemic, the emergence of future variant strains of COVID-19, the availability and distribution of effective medical treatments or vaccines as well as any related federal, state or local governmental orders or restrictions. Accordingly, the Company cannot reasonably determine the ultimate impact the COVID-19 pandemic will have on its future results of operations due to the continuing uncertainty surrounding the pandemic's magnitude and duration.

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2. Significant Accounting Policies

Basis of Accounting
The Company uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

Use of Estimates
The preparation of the financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Estimates are used for the following, among others: revenue recognition, allowance for doubtful accounts and useful lives for depreciation of long-lived assets. Actual results could differ from those estimates.

Comparative Financial Statements
Certain prior period amounts have been reclassified to conform to current year presentation.

Fair Value Measurements
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of cash and cash equivalents, trade receivable, prepaid expenses, deferred commissions, accounts payable and accrued expenses and deferred revenue. The carrying values of cash and cash equivalents, trade receivable, prepaid expenses, deferred commissions, accounts payable and accrued expenses and deferred revenue are considered to be representative of their respective fair values due to the short-term nature of these instruments.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data

Non-recurring fair value measurements include the assessment of property and equipment for impairment. As there is no corroborating market activity to support the assumptions used, the Company has designated these estimates as Level 3.

Cash and Cash Equivalents
For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Accounts Receivable
Accounts receivable consist primarily of franchise fees, royalty and brand development fund fees, and equipment and trailer revenue due from franchisees, less an allowance for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts aged longer than thirty days are considered past due. No interest is charged on outstanding receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts.

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2. Significant Accounting Policies (continued)

Inventory
Inventory consists of trailers, painting supplies, small tools, and other items for sale to the EVERLINE businesses, which are valued the lower of cost or net realizable value.

Property and Equipment
Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives of the respective asset:

	Estimated Useful Life
Furniture and fixtures	10 Years
Office equipment	3 Years
Vehicle	7 Years
Training equipment	7 Years

Maintenance and repair costs are expensed in the period incurred. Expenditures for purchases and improvements that extend the useful lives of property and equipment are capitalized.

Impairment of Long-Lived Assets
The Company assesses potential impairment of its long lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important which could trigger an impairment review include, but are not limited to, significant under-performance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, and significant industry or economic trends. When the Company determines that the carrying value of the long-lived assets may not be recoverable based upon the existence of one or more of the above indicators, the Company determines the recoverability by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate. If the carrying value is not recoverable, an impairment is recognized in the amount by which the carrying amount exceeds the fair value of the asset. During the year ended December 31, 2022 and period from Inception through December 31, 2021, no impairment charges were recognized related to long-lived assets.

Revenue Recognition
The Company recognizes revenue in accordance with FASB ASC 606-10-25, *Revenue from Contracts with Customers*. In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

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2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

The Company's primary sources of revenue are as follows:

Franchise fee revenue
Initial Franchise Fees: The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the respective location(s). A franchise agreement establishes a franchised center developed in one or multiple defined geographic areas and provides for a 10-year initial term with the option to renew for two addition 10-year terms. Subject to the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. If approved, a franchisee may transfer a franchise to a new or existing franchisee, at which point a transfer fee is typically paid by the current owner which then terminates that franchise agreement, and a franchise agreement is signed with the new franchisee. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination. Revenue related to franchise fees is recognized evenly over the contractual term of the franchise agreement.

Location opening fees: The franchisor also requires the franchisee to pay a training fee and setup fees upon signing the agreement. The Company recognizes these fees as revenue when substantially all initial services required by the franchise agreement are performed.

Royalty revenue
Royalty revenue is charged to existing franchise owners based on six percent of the gross sales generated by EVERLINE businesses. The revenue is recognized as earned.

Brand development fund revenue
The Company maintains a brand development fund to promote general brand recognition of the franchise system and services. Funds are collected from franchisees based on an agreed-upon percentage of franchisee's monthly gross sales and used to pay costs of, or associated with, conducting market research, preparing advertising, promotion, and marketing materials, and costs to administer the brand development fund. Although brand development fund revenue are not separate performance obligations distinct from the underlying franchise right, the Company acts as the principal as it is primarily responsible for the fulfillment and control of the marketing services. As a result, the Company records brand development fund contributions in revenue and related brand development fund expenditures in expenses in the statements of operations. Brand development fund revenue is contributed by franchisees based on two percent of EVERLINE businesses' gross sales and is recognized as earned.

Equipment and trailer revenue
Equipment and trailer revenue are recognized when the products have been shipped. The Company accounts for shipping and handling: (1) as revenues within the caption of equipment and trailer revenue, and (2) as expenses within the caption of equipment and trailer expense, in the statements of operations.

Other revenues
Other revenues consist of technology fees and other fee revenues. Technology fees are currently charged at $160 per month per existing franchise and recognized as earned.

Advertising and marketing
All costs associated with advertising and marketing are expensed in the period incurred.

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2. Significant Accounting Policies (continued)

Leases
The company accounts for leases under ASC 842. Lease arrangements are determined at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheets. Operating leases with the terms greater than 12 months are included in operating lease right-of-use ("ROU") asset, operating lease liability and long-term operating lease liability on the balance sheets. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date.

Lease terms include the noncancelable portion of the underlying lease with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Income Taxes
The Company is taxed as a C-Corporation. Income taxes are provided for the tax effects of transactions reported in the financial statement and consist of taxes currently due plus deferred taxes. Deferred income taxes are provided for the temporary differences in basis of the Company's assets and liabilities and their reported amounts. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are determined based on the enacted rates that are expected to be in effect when these differences are expected to reverse. Deferred tax expense or benefit is the result of the changes in the deferred tax assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company recognizes income tax related interest and penalties in interest expense and general and administrative expenses, respectively.

Recent Accounting Pronouncements
In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" as amended by multiple updates to the standard. This update requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet and requires lessors to classify leases as a sales-type, direct financing or operating lease. The update also expands the required quantitative and qualitative disclosures surrounding leases. In June 2020, the FASB issued ASU 2020-05, "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities." ASU 2020-05 defers the effective date of ASU 2016-02 for private companies and private not-for-profit entities for one year. The updated guidance is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. The Company elected to adopt the provisions of ASU 2016-02 at January 1, 2022 and implemented the guidance on its accounting policies.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", and subsequent amendments to the initial guidance, ASU 2019-10. This accounting standard changes the methodology for measuring credit losses on financial instruments, including trade accounts receivable, and the timing of when such losses are recorded. ASU No. 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2022. The Company is currently evaluating the impact of adopting ASU No. 2016-13 on its financial statements.

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2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," which is intended to simplifying various aspects related to accounting for income taxes. This update removed certain exceptions to general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. The amendments in ASU 2019-12 are effective for nonpublic entities for fiscal years beginning after December 15, 2021 with early adoption permitted. The Company adopted this guidance on January 1, 2022 and had no material impact on its financial statements.

In March 2023, the FASB issued ASU No. 2023-01, "Leases (Topic 842): Common Control Arrangements", and subsequent amendments to the initial guidance, ASU No. 2016-02. This accounting standard updates response to private company's stakeholders concerns about applying Topic 842 to related party arrangements between entities under common control. ASU No. 2023-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2023 with early adoption is permitted. The Company is currently evaluating the impact of adopting ASU No. 2023-01 on its financial statements.

We reviewed all other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in two financial institutions.

4. Revenue and Related Contract Balances

Disaggregation of Revenue

The following table disaggregates revenue by source for the year ended December 31, 2022:

	Point in Time	Over Time	Net Revenues
Franchise fee revenue	$ -	$ 654,815	$ 654,815
Royalty revenue	-	55,810	55,810
Brand Development fund revenue	-	17,937	17,937
Equipment and trailer revenue	911,059	-	911,059
Other revenue	141,173	-	141,173
Total revenues	$ 1,052,232	$ 728,562	$ 1,780,794

The following table disaggregates revenue by source for the period from Inception through December 31, 2021:

	Point in Time	Over Time	Net Revenues
Franchise fee revenue	$ -	$ -	$ -
Royalty revenue	-	-	-
Brand Development fund revenue	-	-	-
Equipment and trailer revenue	-	-	-
Other revenue	-	-	-
Total revenues	$ -	$ -	$ -

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4. Revenue and Related Contract Balances (continued)

Contract Assets
Contract assets consist of unbilled revenue. Unbilled revenue consists of franchise fee revenue earned from its franchisees' for which a billing has not occurred.

Contract Costs
Contract costs consist of deferred costs resulting from commissions incurred when the franchise rights are sold to franchisees. The Company classifies these contract costs as deferred costs on the balance sheets. The following table reflects the change in contract costs from Inception through December 31, 2022:

	Contract Costs
Balance at September 16, 2021	$ -
Expense recognized during the period	-
New deferrals due to commissions incurred	-
Balance at December 31, 2021	$ -
Expense recognized during the year	(214,162)
New deferrals due to commissions incurred	4,733,347
Balance at December 31, 2022	$ 4,519,185

The following table illustrates estimated expenses expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2022:

2023	$ 476,335
2024	476,335
2025	476,335
2026	476,335
2027	476,335
Thereafter	2,137,510
Total	$ 4,519,185

Contract Liabilities
Contract liabilities consist of deferred revenue resulting from initial franchise fees and transfer fees paid by franchisees, which are recognized on a straight-line basis over the term of the franchise agreements. Contract liabilities also consist of training fee revenue, marketing setup fee revenue, technology setup fee revenue, and conference fee revenue, which are recognized when the services are provided, and equipment and trailer revenue, which is recognized when the equipment and trailers are shipped. The Company classifies these contract liabilities as deferred revenue on the balance sheets. The following table reflects the change in contract liabilities from Inception through December 31, 2022:

	Contract Liabilities
Balance at September 16, 2021	$ -
Revenue recognized during the year	-
Additions during the year	-
Other changes in deferred revenue	-
Balance at December 31, 2021	$ -
Revenue recognized during the year	(654,815)
Additions during the year	7,545,046
Other changes in deferred revenue	728,554
Balance at December 31, 2022	$ 7,618,785

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4. Revenue and Related Contract Balances (continued)

Contract Liabilities (continued)

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2022:

2023	$ 1,505,270
2024	717,216
2025	717,216
2026	717,216
2027	717,216
Thereafter	3,244,651
Total	$ 7,618,785

5. Accounts Receivable

Accounts receivable consists of the following at December 31:

	2022	2021
Accounts receivable	**$ 2,555,653**	$ -
Less: allowance for doubtful accounts	**-**	-
Accounts receivable, net	**$ 2,555,653**	$ -

For the year ended December 31, 2022 and the period from Inception through December 31, 2021, bad debt expense was $0 and $0, respectively.

6. Property and Equipment

The major classes of property and equipment consisted of the following at December 31:

	2022	2021
Furniture and fixtures	**$ 15,248**	$ -
Office equipment	**6,692**	-
Vehicle	**55,987**	-
Training equipment	**287,347**	39,562
Less: accumulated depreciation	**(30,862)**	(811)
Property and equipment, net	**$ 334,412**	$ 38,751

For the year ended December 31, 2022 and the period from Inception through December 31, 2021, depreciation expense was $30,051 and $811, respectively.

7. Leases

The Company has one operating lease agreement for the lease of office and warehouse space. The lease expires in February 2027 and does not include an option to extend the lease term.

Operating lease costs for the year ended December 31, 2022 was $36,698.

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7. Leases (continued)

Supplemental cash flow information related to the operating lease for the year ended December 31, 2022:

	2022
Operating cash flow information:	
Cash paid for amounts included in the measurement of lease liabilities	$ 27,600
Non-cash activity:	
Right-of-use asset obtained in exchange for new operating lease liability	$ 202,852

The weighted average lease terms and discount rate information related to the operating lease was as follows:

	2022
Weighted average remaining lease term of operating leases	4.16 years
Weighted average discount rate of operating leases	1.28%

The future maturities of operating lease liabilities as of December 31, 2022 was as follows:

2023	$ 42,320
2024	43,280
2025	44,240
2026	45,120
2027	7,520
Thereafter	-
Total future minimum lease payments	182,480
Less: imputed interest	(4,749)
Total lease liabilities	$ 177,731

8. Related Party Transactions

Due to affiliates

During the year and period ending December 31, 2022 and 2021, respectively, our affiliate, EverLine Franchising Ltd., advanced funds to the Company for operating and other expenses. At December 31, 2022 and 2021, the Company had a payable due to its affiliate in the amount of $145,660 and $15,549, respectively. The amount due to its affiliate is unsecured, bears no interest, and is due on demand. The amount is classified as current based on its expected repayment.

During the year and period ending December 31, 2022 and 2021, respectively, our affiliate, 2277801 Alberta Ltd., advanced funds to the Company for operating and other expenses. At December 31, 2022 and 2021, the Company had a payable due to its affiliate in the amount of $91,797 and $0, respectively. The amount due to its affiliate is unsecured, bears no interest, and is due on demand. The amount is classified as current based on its expected repayment.

9. Income Taxes

The provision (benefit) from income taxes consisted of the following for the year ended December 31, 2022 and the period from Inception through December 31, 2021.

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9. Income Taxes (continued)

	2022	2021
Current:		
Federal	**$ 5,975**	$ -
State	**8,746**	-
Total current provision for income taxes	**14,721**	-
Deferred:		
Federal	**(199,095)**	-
State	**(57,521)**	-
Total deferred benefit from income taxes	**(250,534)**	-
Net benefit from income taxes	**$ (235,813)**	$ -

The following is a reconciliation of the expected federal income tax benefit at the statutory rate of 21% to the actual provision for income taxes for the year ended December 31, 2022 and period from Inception through December 31, 2021:

	2022	2021
Expected tax benefit at statutory rates:	**$ (146,889)**	$ (42,958)
State taxes, net of federal effect	**(33,727)**	-
Permanent	**(3,443)**	-
Utilization of net operating loss	**23,898**	-
Change in valuation allowance	**(42,958)**	42,958
Other	**(32,694)**	-
Benefit from income taxes	**$ (235,813)**	$ -

The significant components of deferred tax asset at December 31, 2022 and 2021, consist of the following:

	2022	2021
Deferred tax assets:		
Accounts payable	**$ 55,913**	$ -
Accrued expenses	**90,419**	-
Deferred revenue	**2,057,072**	-
Operating lease	**3,527**	-
Net operating loss	**27,027**	50,925
Total deferred tax assets	**2,233,958**	50,925
Deferred tax liabilities:		
Accounts receivable	**(585,738)**	-
Inventory	**(47,137)**	-
Prepaid expenses	**(52,287)**	-
Deferred commissions	**(1,220,180)**	-
Property and equipment	**(78,082)**	(7,967)
Total deferred tax liabilities	**(1,983,424)**	(7,967)
Deferred tax asset before valuation allowance	**250,534**	42,958
Valuation allowance	**-**	(42,958)
Deferred tax asset, net	**$ 250,534**	$ -

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9. Income Taxes (continued)

The Company's management periodically assess the likelihood that it will be able to recover its deferred tax asset. Management considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible profits.

At December 31, 2022 the Company had NOL carryforwards of approximately $128,700 and has recorded a deferred tax asset of $27,027 reflecting the benefit of $128,700 in loss carryforwards. This NOL will be carried forward indefinitely. Only 80% of current income will be able to be offset with a net operating loss carryforward.

As of December 31, 2021, the Company recorded a valuation allowance of $42,958, which is equal to the full amount of the net deferred tax asset due to the uncertainty of the utilization of the deferred tax asset in future periods. The valuation allowance was released during 2022 due to the expected utilization of the net operating loss carryover.

The Company files income tax returns in the U.S. federal and state jurisdictions in which it operates The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

In accordance with FASB ASC 740-10, Income Taxes, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. We are currently subject to the general three-year statute of limitation for federal tax. Under this general rule, the Company is subject to examination by taxing jurisdictions for all periods from inception.

The Company has analyzed tax positions taken for filing with the jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2022 and 2021.

10. Commitments and Contingencies

Litigation
Various legal actions and claims which may arise in the normal course of business may be pending against the Company from time to time. It is the opinion of management, based on consultation with counsel, that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

11. 401(k) Savings Plan

The Company maintains a 401(k) retirement saving plan (the "Plan") for the benefit of eligible employees. Under terms of this plan, eligible employees are able to make contributions of their wages on a tax-deferred basis. Employee contributions are matched by the Company in accordance with the Plan up to a maximum of 3.5% of employee earnings. For the year ended December 31, 2022 and the period from Inception through December 31, 2021, the Company's employer matching contribution was $2,133 and $0, respectively.

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12. Subsequent Events

The Company has evaluated subsequent events through May 13, 2022, the date the financial statements were available to be issued.

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EXHIBIT G TO
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

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CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-Disclosure Agreement is entered into this _____ day of _____, 20___ by and between EverLine Franchising US, Inc. on behalf of itself and its direct and indirect parents, subsidiaries and affiliates (hereinafter collectively referred to as the "Company") and _____ (hereinafter referred to as the "Recipient").

WHEREAS, the Company possesses certain confidential information pertaining to its businesses; and,

WHEREAS, the Recipient may, from time to time, receive a disclosure of such confidential information from the Company or its agents, consultants or affiliates for the purpose of enabling the Recipient to evaluate a possible franchise opportunity (the "Franchise Opportunity"); and,

THEREFORE, the Recipient agrees to hold in confidence and to refrain from the unauthorized use of Confidential Information (as hereinafter defined) as set forth below:

1. Confidential Information.

(a) As used herein, "Confidential Information" means information about the Company, in whatever format, furnished to the Recipient pursuant to this Agreement by or on behalf of the Company, including, but not limited to, information regarding policies and procedures; concepts; tools; techniques; contracts; business records; marketing information and plans; demographic information; operations; basic Business inventory; sales; costs; employees; vendors; suppliers; expansion plans (e.g. existing, and entry into new, geographic and/or product markets); location of Businesses (including proposed locations); lawsuits and/or claims; management philosophy; customer lists; rental activity reports; sell-through activity reports; and confidential information received from third parties pursuant to a confidential disclosure agreement,

(b) Confidential Information does not include information that (i) was available to the public prior to the time of disclosure, (ii) becomes available to the public through no act or omission of the Recipient, or (iii) communicated rightfully to Recipient free of any obligation of nondisclosure and without restriction as to its use. Recipient shall bear the burden of demonstrating that the information falls under one of the above-described exceptions.

2. Non-Use and Non-Disclosure.

Recipient agrees to (i) hold the Confidential Information in confidence and refrain from disclosing Confidential Information, or transmitting any documents or copies containing Confidential Information, to any other party except as permitted under the terms of this Agreement, (ii) use the Confidential Information only to assist the Recipient in evaluation of the Franchise Opportunity and will not disclose any of it except to the Recipient's directors, officers, employees and representatives (including outside attorneys, accountants and consultants) (collectively its "Representatives") who need such information for the purpose of evaluating the Franchise Opportunity (and the Recipient shall require such Representatives to agree to be bound by the provisions of this Agreement and the Recipient shall be responsible for any breach of the terms of this Agreement by its Representatives). Recipient shall use at least the standard of care with respect to protecting the Confidential Information that it accords or would accord its own proprietary and confidential information.

3. Ownership and Implied Rights.

All Confidential Information shall remain the exclusive property of the Company and nothing in

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this Agreement, or any document, or any course of conduct between the Company and the Recipient, shall be deemed to grant the Recipient any rights in or to the Confidential Information, or any part thereof.

Nothing herein shall obligate Company to enter a franchise relationship with Recipient. Company may for any reason or for no reason decline to enter a franchise relationship with Recipient. Recipient acknowledges that Company is under no obligation to enter or execute a franchise agreement with Recipient on the basis of this Agreement or for any other reason.

4. Restrictions on Copying.

Recipient shall not make any copies of any Confidential Information, except as may be strictly necessary for Recipient to evaluate the Franchise Opportunity. Any copies made by Recipient shall bear a clear stamp or legend indicating their confidential nature. Recipient shall not remove, overprint or deface any notice of copyright, trademark, logo, or other notices of ownership from any originals or copies of Confidential Information.

5. Return of Materials.

At the request of the Company at any time, the Recipient shall promptly return to the Company all Confidential Information that may be contained in printed, written, drawn, recorded, computer disk or any other form whatsoever which is in the possession or control of the Recipient or the location of which is known by the Recipient, including all originals, copies, reprints and translations thereof and any notes prepared by the Recipient or its Representatives in connection with the Confidential Information.

6. Breach.

(a) In the event of Recipient's breach of its obligations under this Agreement or any other agreement with the Company, Company shall have the right to (i) demand the immediate return of all Confidential Information, (ii) recover its actual damages incurred by reason of such breach, including, but not limited to, its attorneys' fees and costs of suit, (iii) obtain injunctive relief to prevent such breach or to otherwise enforce the terms of this Agreement, and (iv) pursue any other remedy available at law or in equity.

(b) The Recipient recognizes that the Company would suffer irreparable harm for which it would not have an adequate remedy at law if the Recipient were to violate the covenants and agreements set forth herein. Accordingly, the Recipient agrees that the Company shall be entitled to specific performance and injunctive relief as remedies for any such breach and that, in such event, no bond shall be required. This remedy shall be in addition to any other remedy available at law or in equity.

7. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN STRICT ACCORDANCE WITH THE SUBSTANTIVE LAW OF THE STATE OF TEXAS WITHOUT REFERENCE TO CONFLICT OF LAW RULES. THE RECIPIENT HEREBY CONSENTS TO THE JURISDICTION OF THE DISTRICT COURTS OF THE STATE OF TEXAS AND ANY PROCEEDING ARISING BETWEEN THE PARTIES HERETO IN ANY MANNER PERTAINING OR RELATED TO THIS AGREEMENT SHALL TO THE EXTENT PERMITTED BY LAW, BE HELD IN TEXAS.

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8. Waiver; Severability.

Any failure on the part of the Company to insist upon the performance of this Agreement or any part thereof, shall not constitute a waiver of any right under this Agreement. No wavier of any provision of this Agreement shall be effective unless in writing and executed by the party waiving the right. If any provision of this Agreement, or the application thereof to any person or circumstance shall, for any reason or to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

9. Accuracy of Confidential Information.

(a) The Company makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Neither the Company nor any of the officers, directors, employees, agents, advisors, legal counsel or other representatives or affiliates thereof, shall be subject to any liability resulting from the use of the Confidential Information by the Recipient and its Representatives.

(b) The Recipient acknowledges that the restrictions set forth herein are fair and reasonable and are necessary in order to protect the business of the Company and the confidential nature of the Confidential Information. The Recipient further acknowledges that the Confidential Information is unique to the business of the Company and would not be revealed to Recipient were it not for its willingness to agree to the restrictions set forth herein.

10. Applicability.

The terms, conditions and covenants of this Agreement shall apply to all business dealings and relations between the Company and the Recipient.

RECIPIENT

_____
_____
_____

By: _____
Name: _____
Title: _____

EVERLINE FRANCHISING US, INC.

By: _____
Name: _____
Title: _____

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EXHIBIT H TO
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE FORM OF GENERAL RELEASE

© 2024 EverLine Franchising US, Inc.

SAMPLE FORM OF GENERAL RELEASE

This General Release ("Release") is made and entered into on this _____ day of _____ _____, 20___ by and between EverLine Franchising US, Inc. ("Franchisor") and _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor and Franchisee are parties to a EVERLINE COATINGS Franchise Agreement (the "Franchise Agreement") dated _____, 20__, granting Franchisee the right to operate a franchised business utilizing Franchisor's then-current (a) proprietary marks and (b) system of operations, at the following location: _____ _____.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Release, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

Franchisee, for itself and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasors"), irrevocably and absolutely releases and forever discharges Franchisor and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasees"), of and from all claims, obligations, actions or causes of action (however denominated), whether in law or in equity, and whether known or unknown, present or contingent, for any injury, damage, or loss whatsoever arising from any acts or occurrences occurring as of or prior to the date of this Release relating to the Franchise Agreement, the business operated under the Franchise Agreement, and/or any other agreement between any of the Releasees and any of the Releasors. The Releasors, and each of them, also covenant not to sue or otherwise bring a claim against any of the Releasees regarding any of the claims being released under this Release. Releasors hereby acknowledge that this release is intended to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist.

Each of the Releasors expressly acknowledges that they are familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing a release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Each of the Releasors hereby specifically and expressly waives all rights that it may have under Section 1542 of the California Civil Code or any similar provision of law in any other jurisdiction. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Releasors acknowledge and agree that they have read the terms of this Release, they fully understand and voluntarily accept the terms, and that they have entered into this Release voluntarily and without any coercion.

This release does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties hereto have executed this Release as of the date first above written.

FRANCHISOR	**FRANCHISEE**
By:_____	By:_____
Name: _____	Name:_____
Title:_____	Title:_____

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EXHIBIT I TO
FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDA

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CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

Risk Factors

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Item 3

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Item 6

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

Item 17

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Termination, Transfer, and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer, or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

Post-Termination Noncompetition Covenants. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Applicable Law. The franchise agreement requires application of the laws of the State of Texas. This provision may not be enforceable under California law.

Modification. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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General Releases. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

Deferral. The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

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CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT AND MULTI-TERRITORY ADDENDUM

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement or the EverLine Franchising US, Inc. Multi-Territory Addendum, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of California:

This California Addendum is only applicable if you are a resident of California or if your business is located in California.

1. Franchisor shall defer collecting the initial franchise fee from Franchisee until Franchisor has completed all of its pre-opening obligations and Franchisee has opened for business.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

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HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: ~~–~~California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin

2. A proposed registration or filing is or will be shortly on file in the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin

3. No states have refused, by order or otherwise to register these franchises.

4. No states have revoked or suspended the right to offer these franchises.

5. The proposed registration of these franchises has not been withdrawn in any state.

6. Deferral: Payment of the ~~initial franchise fee or~~Initial Franchise Fee and, if applicable, the Multi-Territory Fee shall be deferred until Franchisor has completed its pre-opening obligations to Franchisee and Franchisee has opened for business.

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7. The following Risk Factor is added to the State Cover Page:

Negative Equity. The franchisor's most recent audited financial statements reflect a negative equity in that its liabilities exceed its assets. This calls into question the franchisor's financial ability to provide services and support to you.

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HAWAII ADDENDUM TO FRANCHISE AGREEMENT AND MULTI-TERRITORY ADDENDUM

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement or the EverLine Franchising US, Inc. Multi-Territory Addendum, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of Hawaii:

This Hawaii Addendum is only applicable if you are a resident of Hawaii or if your business is located in Hawaii.

1. Payment of the ~~initial franchise fee or~~Initial Franchise Fee and, if applicable, the Multi-Territory Fee shall be deferred until Franchisor has completed its pre-opening obligations to Franchisee and Franchisee has opened for business.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

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ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Illinois law shall apply to and govern the Franchise Agreement and Multi-Territory Addendum.

In Conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Payment of the initial franchise fee or the Multi-Territory Fee shall be deferred until Franchisor has completed its pre-opening obligations to Franchisee and Franchisee has opened for business. The Illinois Attorney General's Office imposed this deferral requirement die to Franchisor's financial condition.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT AND MULTI-TERRITORY ADDENDUM

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of Illinois:

1. Illinois law shall apply to and govern the Franchise Agreement and Multi-Territory Addendum.

2. In Conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Payment of the initial franchise fee or the Multi-Territory Fee shall be deferred until Franchisor has completed its pre-opening obligations to Franchisee and Franchisee has opened for business. The Illinois Attorney General's Office imposed this deferral requirement die to Franchisor's financial condition.

6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

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Title: _____

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INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of Indiana:

Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

1. Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

2. Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the protected territory granted the franchisee by the franchise agreement; or, if no protected territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

3. Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

4. Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

5. Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

6. Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

7. Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

8. Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

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9. Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the protected area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

10. Limiting litigation brought for breach of the agreement in any manner whatsoever.

11. Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

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MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following is added to Item 17:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

The following is added to Item 5:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required financial assurance. Therefore, all initial fees and payments owed by the franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development addendum opens.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of Maryland:

1. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

5. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required financial assurance. Therefore, all initial fees and payments owed by the franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development addendum opens.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

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Print Name: _____

Title: _____

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisor shall defer collecting the initial franchise fee until Franchisor has performed all of its pre-opening obligations to Franchisee and Franchisee has opened for business. The Minnesota Department of Commerce has required this financial assurance due to the Franchisor's financial condition.

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MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of Minnesota:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

3. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

5. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

7. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

8. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Franchisor shall defer collecting the initial franchise fee until Franchisor has performed all of its pre-opening obligations to Franchisee and Franchisee has opened for business.

[*Signatures on the following page*]

© 2024 EverLine Franchising US, Inc.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

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NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the

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regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

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NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Based upon the franchisor's financial condition, the Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

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NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of North Dakota:

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Based upon the franchisor's financial condition, the Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

[*Signatures on the following page*]

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IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

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RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

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RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the State of Rhode Island:

1. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

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VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

The following statements are added to Item 17(h):

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

> Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

The following statement is added to Item 5:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

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VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the EverLine Franchising US, Inc. Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all EverLine Franchising US, Inc. franchises offered and sold in the Commonwealth of Virginia:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

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WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, ~~FRANCHISEE DISCLOSURE QUESTIONNAIRE,~~ AND RELATED AGREEMENTS

The following is added to Item 5 of the Franchise Disclosure Document:

> ~~Based upon~~In lieu of an impound of franchise fees, the ~~franchisor's financial condition,~~Franchisor will not require or accept the ~~Department of Financial Institutions Securities Division of the State~~payment of ~~Washington has required financial assurance. Therefore, all~~ any initial ~~fees~~franchise fees under the Franchise Agreement and ~~payments owed by the franchisees shall be deferred~~Multi-Territory Addendum, if applicable, until the ~~franchisor completes its~~ franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and ~~the franchisee~~(b) is open for business. ~~In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. Also, the Securities Division requires that the collection of the development fee be prorated, with a portion of the development fee being collected after each unit opens.~~

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any

employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgmentsigned or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of this _____ day of _____, 20____.

FRANCHISOR:

EVERLINE FRANCHISING US, INC.

By: _____
John Evans, CEO and President

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

EXHIBIT J TO
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES & RECEIPTS

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	~~Pending~~
Hawaii	
Illinois	Pending
Indiana	Pending
Maryland	
Michigan	December 20, 2023
Minnesota	Pending
New York	
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	
Wisconsin	September 30, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If EverLine Franchising US, Inc. ("EverLine Franchise") offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, EverLine Franchise or an affiliate in connection with the proposed franchise sale.

New York requires that EverLine Franchise gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that EverLine Franchise give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If EverLine Franchise does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit A.

EverLine Franchise authorizes the agents listed in Exhibit A to receive service of process on its behalf.

The franchise seller(s) offering this franchise is/are checked off below:

___ John Evans, Director and President, c/o EverLine Franchising US, Inc., 9960 Bammel North Houston Road, Houston, Texas 77086; 1-833-837-5463

___ Franchise Fastlane, 16934 Frances Street #105, Omaha NE 68154; (531) 333-3278

___ _____

Issuance Date: April 29, 2024; as amended September 30, 2024

I have received a disclosure document dated April 29, 2024; as amended September 30, 2024 that included the following exhibits:

EXHIBIT A	List of State Administrators; List of Agents for Service of Process.	EXHIBIT F	Financial Statements
EXHIBIT B	Franchise Agreement	EXHIBIT G	Sample Confidentiality and Non-Disclosure Agreement
EXHIBIT C	Multi-Territory Addendum		
EXHIBIT D	Tables of Contents for Manual(s)	EXHIBIT H	Sample General Release Agreement
EXHIBIT E	List(s) of Current and Former Franchisees	EXHIBIT I	State Addenda
		EXHIBIT J	State Effective Dates & Receipts

_____	_____	_____
Date	Prospective Franchisee	Print Name
_____	_____	_____
Date	Prospective Franchisee	Print Name

PLEASE SIGN AND DATE THIS PAGE AND RETAIN THIS PAGE IN YOUR POSSESSION AS PART OF YOUR RECORDS.

© 2024 EverLine Franchising US, Inc.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If EverLine Franchising US, Inc. ("EverLine Franchise") offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, EverLine Franchise or an affiliate in connection with the proposed franchise sale.

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If EverLine Franchise does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit A.

EverLine Franchise authorizes the agents listed in Exhibit A to receive service of process on its behalf.

The franchise seller(s) offering this franchise is/are checked off below:

___ John Evans, Director and President, c/o EverLine Franchising US, Inc., 9960 Bammel North Houston Road, Houston, Texas 77086; 1-833-837-5463

___ Franchise Fastlane, 16934 Frances Street #105, Omaha NE 68154; (531) 333-3278

___ _____

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		EXHIBIT J	State Effective Dates & Receipts

_____	_____	_____
Date	Prospective Franchisee	Print Name
_____	_____	_____
Date	Prospective Franchisee	Print Name

PLEASE REMOVE THIS PAGE, SIGN AND DATE ABOVE, AND RETURN IT TO:
EVERLINE FRANCHISING US, INC.
9960 Bammel North Houston Rd
Houston, TX 77086

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